

## More hard knocks for the blank cheque space



Amy Brown

Investors searching for reasons to avoid Spacs need not look hard. More emerged today, firstly in the form of Rocket's takeout of Renovacor, a preclinical cardiovascular gene therapy player brought public by a Chardan-sponsored vehicle 12 months ago. The all-stock deal values Renovacor, which was already trading below cash, at around \$53m; the small premium this provides is rendered irrelevant when considering that the stock is around 80% below the \$10 Spac issue price. The Renovacor story is far from unique. A [recent Evaluate Vantage analysis](#) found few successes among the pure-play drug developers that have listed via blank cheque companies. News also emerged today that the so-called King of Spacs, Chamath Palihapitiya, [is winding down](#) two of his tech-focused Spacs, which have been unable to find a merger target. Two of his health tech-focused Spacs remain active, although investors in those vehicles might not turn down the offer of their money back. These struggles are happening in the shadow of heightened SEC concern - a few weeks ago the agency charged Perceptive Advisors, which has sponsored a number of biotech Spacs, \$1.5m for failing to disclose conflicts of interest.

### Long live the King? Chamath Palihapitiya's healthcare-focused Spacs

Spac	Target	Proposed deal value (\$m)	Current enterprise value (share price)
SCSHC I (DNAA)	Akili - digital health company with computer game to treat ADHD approved in the US	Post-money enterprise value of \$588m (\$412m in gross cash, including \$162m Pipe)	\$610m (\$3.30)
SCSHC II (DNAB)	Spac seeking an oncology-focused target	-	\$9.82
SCSHC III (DNAC)	Prokidney - developing autologous cell therapy for treatment of chronic kidney disease	Post-money enterprise value of \$1.8bn (\$825m in gross cash, including \$575m Pipe)	\$639m (\$10.03)
SCSHC IV (DNAD)	Spac is seeking an immunology-focused target	-	\$9.82

Spac=special purpose acquisition company. SCSHC=Social Capital Suvretta Holdings Corp. Source: company statements, Pitchbook for current enterprise value.

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