

Cannabis Marketing Co. Hits \$500M Valuation In SPAC Deal

By **Benjamin Horney**

Law360 (November 9, 2021, 4:25 PM EST) -- Cannabis marketing firm Springbig plans to merge with a special purpose acquisition company at a roughly \$500 million valuation, the companies said Tuesday, in a transaction steered by law firms Benesch Friedlander, Davis Polk and Dentons.

The agreement calls for Springbig to combine with Tuatara Capital Acquisition Corp., or TCAC, and the resulting entity is expected to list on the Nasdaq Stock Market under the symbol "SBIG," according to a statement.

Springbig is represented by Benesch Friedlander Coplan & Aronoff, while TCAC is represented by Davis Polk & Wardwell LLP and Dentons.

Boca Raton, Florida-based Springbig was founded in 2017 and offers a loyalty marketing platform for cannabis companies. It helps cannabis businesses develop relationships with customers by collecting and interpreting data. Its platform also has the ability to send personalized text messages to customers based on their preferences and purchase behavior. The company says it serves upwards of 1,000 clients across the U.S. and Canada that together operate more than 2,300 retail locations.

Jeffrey Harris, founder and CEO of Springbig, praised the deal, saying in Tuesday's statement that "as the cannabis industry continues to grow, [our] strong foundation will enable us to leverage our data and technology to consolidate across multiple market verticals including data analytics, increased marketing automations, and advertising solutions."

The merged business is expected to have a post-transaction equity value of about \$500 million. As part of the deal, a group of investors has agreed to participate in a private investment in public equity, or PIPE offering, under which shares will be purchased for \$13 apiece. The PIPE investors include Tuatara Capital, TVC Capital, Key Investment Partners and Harris himself.

The SPAC involved in the deal, TCAC, is backed by Tuatara Capital, a cannabis sector-focused private equity firm. TCAC raised \$175 million in an initial public offering held in February, according to a statement from the time.

In Tuesday's statement, Al Foreman, CEO of TCAC, said, "In the rapidly evolving cannabis industry, with numerous regulations and restrictions, Springbig has emerged as a market leader in direct-to-consumer marketing and engagement."

"Springbig's technology platform drives loyalty and customer engagement, and in this regulated environment, a high level of engagement is crucial for cannabis retailers and brands to reach their customers in an increasingly competitive market," Foreman added.

The deal, which has been unanimously approved by the boards of directors for both sides, remains subject to approval by TCAC stockholders and other customary conditions. The companies anticipate completing the transaction during the first quarter of fiscal 2022.

Springbig represents the latest in a string of cannabis-related entities which have waded into the world of SPACs. Last month, for instance, Achari Ventures Holdings I, backed by cannabis-focused investment firm Achari Ventures, **raised \$100 million** in an IPO, saying it plans to target the cannabis industry. Before that, in August, cannabis e-commerce and news site Leafly agreed to

merge with a SPAC at a **\$385 million enterprise value**.

Cantor Fitzgerald & Co. is serving as exclusive capital markets adviser to TCAC, and Jefferies LLC is serving as exclusive financial adviser and exclusive capital markets adviser to Springbig.

The Davis Polk team advising TCAC includes corporate partners Leonard Kreynin and Derek Dostal and associates Alex Yang and Meaghan Kennedy; tax partner William A. Curran; intellectual property and technology transactions partner Pritesh P. Shah and associates S. Dream Montgomery and Joshua Cameron Shirley; and executive compensation counsel Kevin A. Brown.

The Benesch Friedlander team advising Springbig is led by M&A and securities partners Bill Doran and Sarah Hesse and includes Daniel Briggs, Nick Brill, Kris Chandler, Gregg Eisenberg, Lisa Kimmel, Injune Park and Rick Tracanna.

--Editing by Kelly Duncan.

Update: This story has been updated to include additional counsel information.