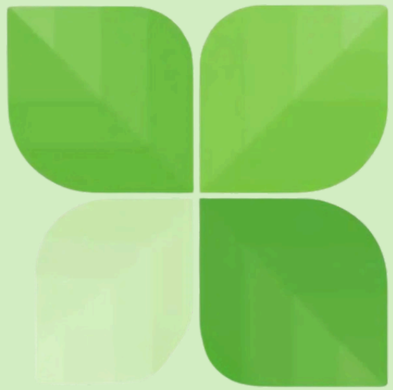
WHAT IF ACORNS' SPAC MERGER HAD CLOSED?

acorns



PACX - acorns

OAKS

WHAT IF ACORNS' SPAC MERGER HAD CLOSED?

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1. The Aborted SPAC Merger: A $2.15B Public Market Near-Miss
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3. Financial Wellness Ecosystem & Competitive Benchmarking
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5. Planned vs. Actual Execution: Private Resilience & Final Verdict

DISCLAIMER

This report is an independent academic analysis prepared exclusively for educational and research purposes using publicly available information, including regulatory filings, company disclosures, industry reports, financial data, and other credible secondary sources.

All assumptions, hypotheses, projections, and counterfactual scenarios are based on the available information and the analytical framework adopted for this study. **The accompanying Excel model and valuation memorandum contain the underlying assumptions, methodologies, scenario analyses, value drivers, and supporting calculations referenced throughout the report.**

Every effort has been made to ensure the accuracy and integrity of the analysis; however, the findings remain subject to the limitations of publicly available information, changing market conditions, and the inherent uncertainties associated with counterfactual modelling.

*This report was independently researched, prepared, and reviewed by **Hardik Jain** (hardikjainatwork@gmail.com).*
For any questions, clarifications, or concerns regarding this analysis, please contact forvm.site@gmail.com.

SOURCES



Valuation Model



Valuation Memorandum

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WHAT IF ACORNS' SPAC MERGER HAD CLOSED?

Acorns' 2021 bid to go public: a $2.15B merger with Pioneer Merger Corp., a **Special Purpose Acquisition Company (SPAC)**, set to debut on Nasdaq as OAKS — a deal that came within weeks of closing before it was terminated."

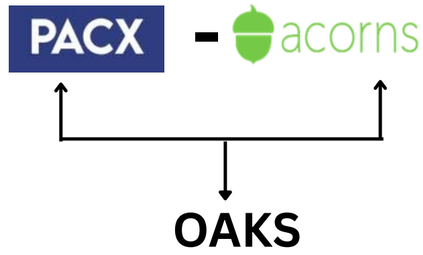
ABOUT DEAL

In May 2021, Acorns agreed to merge with SPAC Pioneer Merger Corp. with plans to list on Nasdaq under the ticker OAKS. in a deal valuing the combined company at **$2.15B, supported by a $165M PIPE and $55M in convertible notes** from investors including BlackRock, Wellington Management, and TPG's Rise Fund.

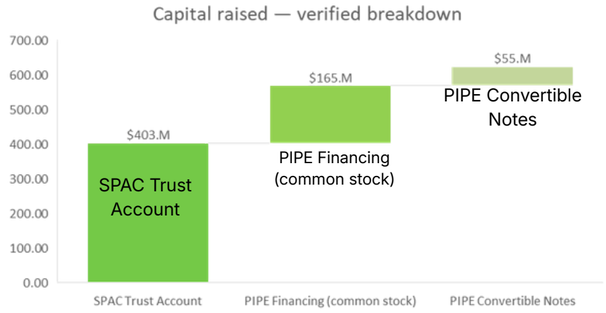
Although the SEC cleared the transaction, ***it was terminated in January 2022 amid the broader SPAC and fintech market downturn***. Acorns remained private and later raised a $300M Series F round at a $1.9B valuation in March 2022.

Private Investment in Public Equity): A financing mechanism where institutional investors commit capital to a company that is going public (often via a SPAC), providing additional funding and increasing deal certainty before the public listing.

BlackRock TPG WELLINGTON MANAGEMENT



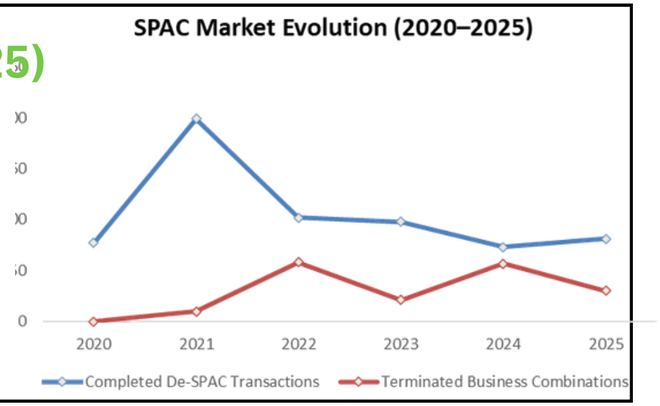
DEAL OUTCOMES

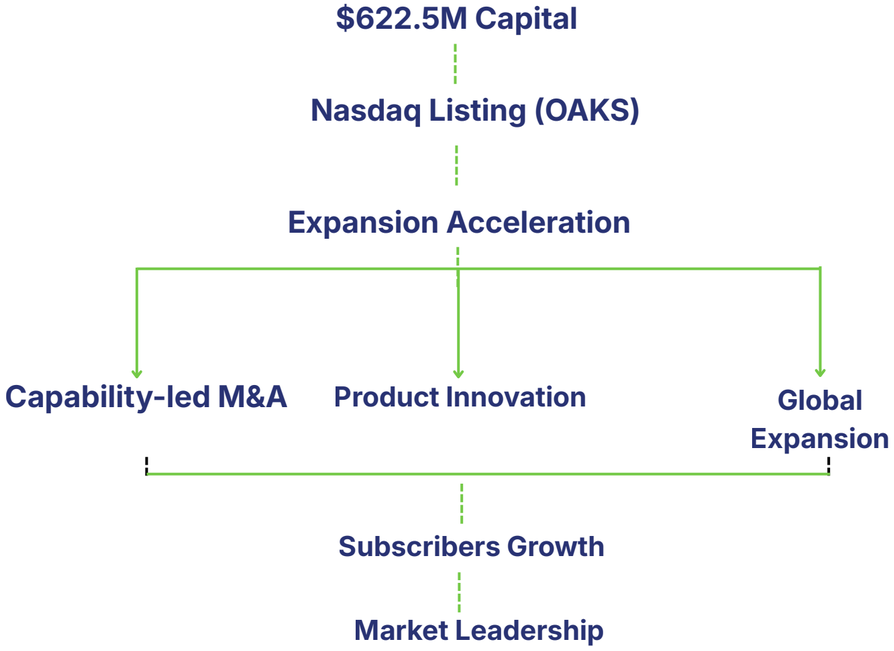


The deal would have provided approximately $622.5M in growth capital, enhancing balance-sheet strength, extending cash runway, and funding long-term expansion and strategic initiatives.

SPAC MARKET EVOLUTION (2020–2025)

The SPAC market experienced a rapid expansion in 2021, followed by a prolonged correction marked by declining business combinations and a surge in terminated transactions as capital market conditions tightened.





- **Compliance Monitoring**
- **Stock Volatility**
- **Execution Pressure**

ACORNS TODAY: COMPANY, CUSTOMER, COMPETITION & PRODUCT

acorns

COMPANY

Acorns is a leading **U.S.-based WealthTech platform** that pioneered automated micro-investing through spare-change round-ups, making investing simple and accessible. Since its founding in 2012, it has expanded into a holistic financial wellness ecosystem offering investing, banking, retirement, savings, and financial education. With $588M raised across 11 funding rounds, Acorns is the highest-ranked player among its peers on Tracxn. Its subscription-first business model provides predictable recurring revenue, strong customer retention, and sustainable long-term growth, differentiating it from traditional transaction-driven brokerages.

Revenue Streams

- Subscription Fees
- Debit Card Interchange
- Net Interest Income
- Advisory/Program Fees
- Acorns Earn Partnerships

*79% of revenue originates from **subscriptions**, creating predictable recurring cash flows and reducing dependence on volatile trading volumes or payment-for-order-flow.*

Capital Raised

- $588M Total Equity Funding
- 11 Funding Rounds
- Largest Round: $300M
- Latest Round:Series F (March 2022)

Major investors include:

PayPal, BlackRock, Comcast Ventures, Greycroft, Baincapital Ventures, TPG Capital, Rakuten Capital

Acquisition Portfolio

Vault, HARVEST, Early Bird, PILLAR

Acorns consistently acquires adjacent fintech capabilities to increase customer lifetime value rather than pursuing unrelated diversification.

CUSTOMER



Primary Customer Segments

↓

Generation Z & Millennials

↓

Characteristics

- First-time investors
- Limited investing knowledge
- Low starting capital
- Digital-first behavior
- Prefer automation over active investing

Financial Beginners

Pain Points

- Investing feels complicated
- Fear of losing money
- Don't know where to start
- Lack of financial discipline

Acorns solves this through

- Round-up investing
- Automated recurring investments
- Managed ETF portfolios
- Simple onboarding

Banking Customers

Acorns is increasingly positioning itself as a financial wellness platform instead of only an investment app.

Products include

- Checking
- Debit Card
- Retirement
- Kids investing
- Emergency savings
- Financial education

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ACORNS TODAY: COMPANY, CUSTOMER, COMPETITION & PRODUCT

COMPETITION

Although Acorns dominates the micro-investing segment, it competes primarily against larger multi-product fintech platforms such as Robinhood, SoFi, Chime, Betterment, and Wealthfront, all of which are competing to become consumers' primary financial platform.

How big is Acorns relative to competitors?

Company	Business Model	Users / Members	Valuation / Market Cap (Approx.)
Robinhood	Trading Platform	~26M funded customers	**~$122B EV**
SoFi	Financial Super App	~12.6M members	**~$25B**
Acorns	Automated Investing	~6.8M customers	**~$2.2B (IPO expectation)**
Wealthfront	Robo Advisor	~1.3M clients	**>$2B**
Betterment	Robo Advisor	~900k+ customers	**Private**



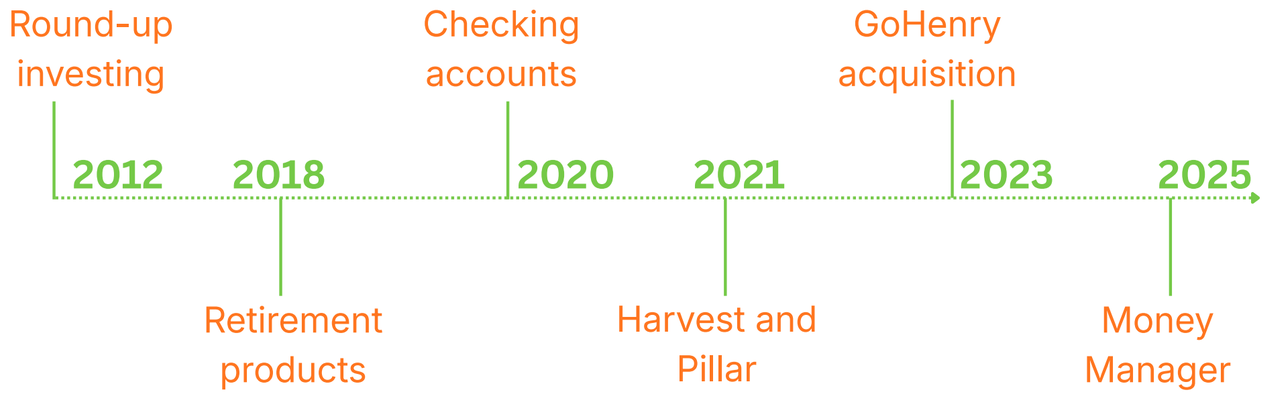
Acorns occupies a differentiated position between traditional robo-advisors and diversified fintech ecosystems, combining automated investing with banking, financial wellness, and family-oriented products while maintaining a simple, long-term investment approach.

PRODUCT

Acorns has expanded from automated round-ups into a broader financial wellness platform.

Category	Products
Investing	Acorns Invest
Retirement	Acorns Later
Banking	Acorns Checking
Family	Acorns Early
Education	Acorns Learn
Financial wellness	Money Manager
Rewards	Acorns Earn

Product evolution (timeline)



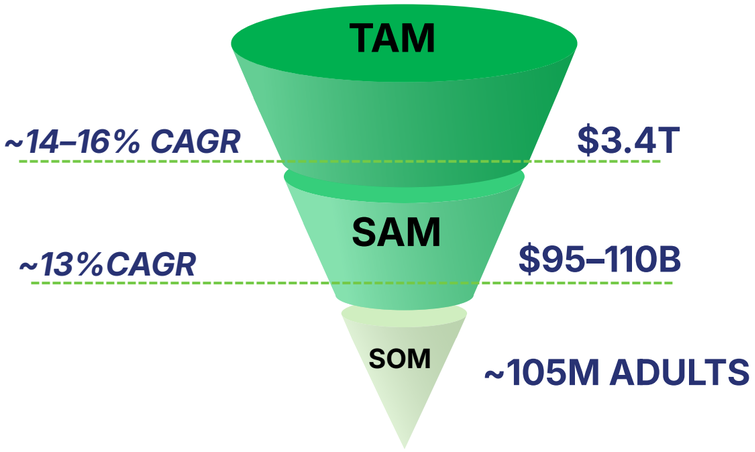
POSITIONING OAKS WITHIN TODAY'S WEALTHTECH ECOSYSTEM

acorns

MARKET OPPORTUNITY

OAKS operates within a rapidly expanding wealth-tech ecosystem, with significant whitespace for customer acquisition and platform expansion.

GLOBAL WEALTHTECH MARKET



THE OAKS -GROWTH TIMELINE

CORE INVESTING

- Acorns Invest Round-Ups®
- Later (IRA)

BANKING SUITE

- Mighty Oak Checking
- Emergency Fund

FAMILY FINANCE

- GoHenry
- Acorns Early

FINANCIAL WELLNESS

- 6.8M Subscribers
- 5 Revenue Streams
- 7+ Product Categories
- Subscription-led Model

INVESTMENT KPIS SNAPSHOTS

Why is OAKS a high-quality public-market candidate?

1 Recurring Revenue
~79% Subscription Revenue Mix

2. Platform Scale
6.8M Active Subscribers

3.Product Diversification
7+ Integrated Financial Products

4. Revenue Diversification
5 Revenue Streams

5.Growth Capital Secured
$622.5M Capital available

CAPABILITY BENCHMARKING- OAKS

Company	Payments	Banking	Saving	Investing	Wealth Mgmt	Retirement	Family Finance
Cash App	Core	Limited	Limited	Limited	Limited	Limited	Limited
Chime	Limited	Core	Core	Limited	Limited	Limited	Limited
Robinhood	Limited	Limited	Limited	Core	Expanding	Limited	Limited
Betterment	Limited	Limited	Limited	Expanding	Core	Core	Limited
Wealthfront	Limited	Limited	Expanding	Core	Core	Limited	Limited
SoFi	Limited	Core	Core	Core	Expanding	Expanding	Limited
OAKS	Limited	Expanding	Core	Core	Core	Expanding	Core

LEGEND

- Core capability
- Expanding capability
- Limited exposure

SUPPORTING PRODUCTS (OAKS / Acorns, verified)

Banking	*Saving*	*Investing*	*Wealth Management*	*Retirement*	*Family Finance*

Note- Ratings for all companies except OAKS are analytical judgment, not verified data — directional, not a defended benchmark."

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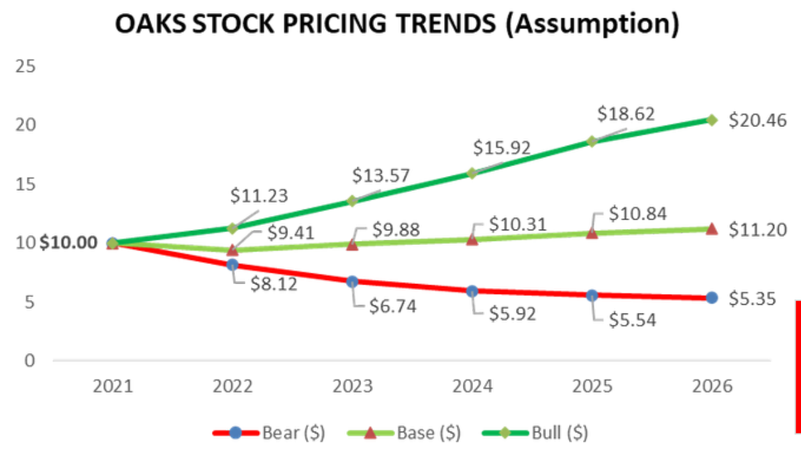
WHERE WOULD OAKS TRADE TODAY?

acorns

An assumption-driven valuation model combining management guidance, realized execution, peer benchmarks, and market-based multiples.

OAKS STOCKS-PRICING TREND

Rather than predicting the future, the shadow-pricing framework estimates the price at which public markets could reasonably have valued OAKS under different operating and market conditions.



Stock Price Assumptions

Bear	Base	Bull
5.35	11.2	20.46

SCENARIO FRAMEWORK (OAKS 2026)

The analysis suggests that public-market conditions would have had a greater impact on OAKS's valuation than operational performance alone,

MARKET ANALOGUE

BEAR — *MoneyLion / SoFi*

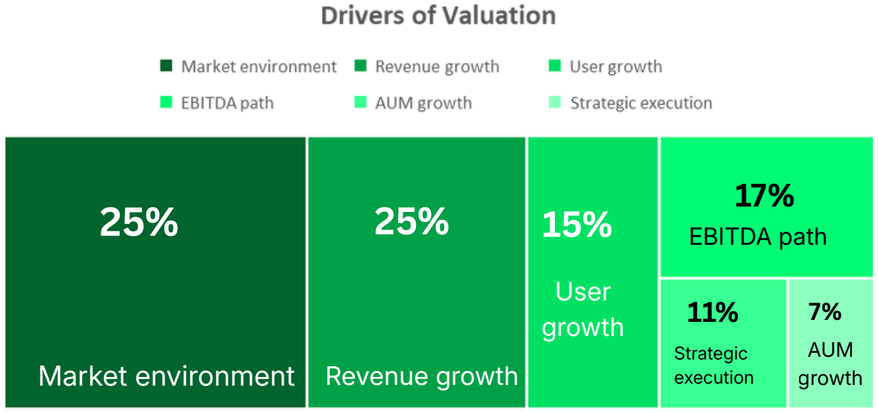
BASE — *Betterment / Wealthfront*

BULL — *Robinhood*

Metric	Bear	Base	Bull
Revenue ($M)	279	344	409
Revenue growth	12%	18%	25%
Subscribers (M)	5.9	6.8	8.1
ARPU ($)	47	51	56
AUM ($B)	8.5	11.2	14.8
EBITDA margin	-12%	-4%	6%
EV/Revenue multiple	4×	8×	12×
Enterprise value ($B)	1.12	2.75	4.91
Equity value ($B)	1.03	2.61	4.76
Implied share price ($)	**5.35**	**11.2**	**20.46**

VALUATION DRIVERS

OAKS's valuation is driven primarily by market conditions and revenue growth, while user growth, profitability, assets under management, and strategic execution serve as secondary determinants of value creation.



NOTE

Additional financial analysis, valuation methodologies, sensitivity analyses, and supporting datasets are available in the accompanying workbook.

VALUATION FRAMEWORK

OAKS 2026

HISTORICAL INPUTS

2021 S-4 projections
$622.5M capital raised

ACTUAL EXECUTION

6.8M subscribers, GoHenry acquisition and divestiture, product expansion

MARKET CONTEXT

Post-2021 multiple compression,changig monetary policy, weaker risk appetite, Higher rates , low liquidity

PEER ANALYSIS

evenue growth, market capitalization,EV/Revenue multiples- Robinhood, SoFi, Betterment, Wealthfront, MoneyLion

SCENARIO MODEL

Bear, base, and bull cases
4×, 8×, and 12× EV/Revenue multiples

VALUATION OUTPUT (BASE CASE)

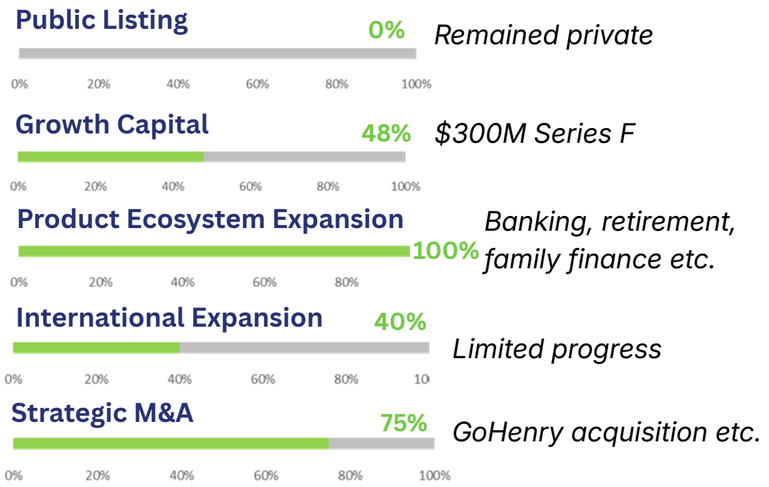
$2.75B	$2.61B	$11.20	8.0×
Enterprise value	equity value	share price	EV/Revenue (×)

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FINAL ASSESSMENT

Integrating valuation, execution, and strategic evolution to assess the long-term implications of the Pioneer–Acorns SPAC transaction.

PLANNED VS. ACTUAL EXECUTION



STRUCTURAL HEADWINDS & TAILWINDS

Tailwind	Rationale
Subscription-led revenue model	Recurring and predictable revenue base (~79% of revenue).
Institutional backing	Support from leading institutional investors.
Product ecosystem expansion	Increased customer engagement and cross-selling opportunities.
Acquisition capability	Greater access to capital for inorganic growth.
Financial inclusion strategy	Strong alignment with long-term customer needs.

Headwind	Rationale
Fintech multiple contraction	Sector-wide valuation compression.
Higher interest rates	Reduced liquidity and risk appetite.
SPAC market deterioration	Increased redemption pressure and weaker sentiment.
Regulatory complexity	Higher compliance and disclosure requirements.
Public-market scrutiny	Increased pressure on quarterly performance.

ANSOFF MATRIX

	EXISTING MARKETS	NEW MARKETS
EXISTING PRODUCTS	**MARKET PENETRATION** • Round-Ups • subscriber growth • referral programmes	**MARKET DEVELOPMENT** • Family finance • international expansion initiatives
NEW PRODUCTS	**PRODUCT DEVELOPMENT** • Mighty Oak Checking • Emergency Fund • Acorns Later	**DIVERSIFICATION** • GoHenry acquisition • Acorns Early • financial wellness ecosystem

Despite the termination of the Pioneer SPAC transaction, Acorns continued executing several elements of its original growth strategy through product expansion, ecosystem development, and strategic acquisitions.

FINAL VERDICT

1. Acorns successfully executed a substantial portion of its original expansion strategy despite the termination of the Pioneer transaction.
2. Additional capital and public-market access would likely have accelerated expansion, acquisitions, and customer growth rather than fundamentally altering the business model.
3. Market conditions, interest rates, and the broader fintech re-rating cycle would probably have influenced valuation outcomes more significantly than operating performance alone.
4. The evidence suggests that the failed transaction altered the pace and structure of growth, but not Acorns' long-term strategic direction.

Certain variables—including customer behaviour, cohort retention, current ARPU trends, future capital allocation decisions, broader market dynamics, recent historical data etc.—could not be fully incorporated because of limited public disclosure following Acorns' decision to remain private- that could have a significant impact on the final verdict

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Discuss, Demand & Deliver

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Forvm launched as an editorial platform — publishing research briefings, market analysis, and case studies prepared by our principal analysts. That is where we are today. It is not where we intend to stop.

Our long-term vision is to evolve Forvm into a discussion-based community for professionals across domains and sectors. Most platforms today are flooded with generic, AI-generated content and noise with no real expertise behind it. Forvm is built in direct response to that: a space where professional judgment, not algorithmic filler, drives what gets published.

We **call this the D3 model — Discuss, Demand, Deliver.**

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Contact- forvm.site@gmail.com

Research By - Hardik Jain