acorns

PROJECT OAKS

THE SPAC DEAL ACORNS WALKED AWAY FROM

A Counterfactual Valuation Memorandum

Where
Would OAKS Trade Today?

In May 2021, Acorns Grow Incorporated agreed to a $2.15B merger with Pioneer Merger Corp., a Special Purpose Acquisition Company (SPAC), set to list on Nasdaq as OAKS. The transaction cleared SEC review but was terminated in January 2022 amid a sector-wide SPAC and fintech de-rating. This memorandum reconstructs, on a fully sourced and assumption-labeled basis, what OAKS's fundamentals, market position, and public equity valuation would plausibly look like today.

Prepared for internal strategic and valuation review

September 2026

Source basis: SEC Form S-4 (Acc. No. 0001104659-21-084323); Tracxn Company Report (26-Jul-2026); public company filings (Robinhood, SoFi 8-Ks, Q1/Q2 2026), Internet secondary sources

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Important Notice & Basis of Preparation

This memorandum is a counterfactual, scenario-based analysis. Pioneer Merger Corp. and Acorns Grow Incorporated mutually terminated their Business Combination Agreement in January 2022, prior to closing. Acorns Grow Incorporated remained a private company and, as of the date of this memorandum, has never traded as a public security under the ticker OAKS or any other symbol. No such security exists.

Every figure in this memorandum is classified as either FACT (sourced verbatim to a primary document — the SEC Form S-4, a company SEC filing, or a verified third-party report) or ASSUMPTION (a derived, labeled estimate with stated rationale). Where a figure could not be independently verified against a primary source, it is disclosed as such rather than presented as fact. This distinction is preserved throughout every table in this document and is the analytical backbone on which every valuation output rests.

This document should be read alongside its companion quantitative workbook (OAKS_2026_Valuation_Model.xlsx) and the OAKS Qualitative Deal Synthesis, both of which contain full line-item sourcing, formulas, and audit trails not reproduced in full here for readability.

Contents

1. Executive Summary
2. Transaction Background & Verified Deal Terms
3. Valuation Methodology
4. Assumption Framework — Fact vs. Assumption
5. 2026 Peer Comparable Analysis
6. Scenario Analysis & Valuation Output (Bear / Base / Bull)
7. Driver Analysis
8. OAKS Shadow Stock Price Reconstruction
9. Sensitivity Analysis
10. Risk Factors, Limitations & Open Data Gaps
11. Final Investment View Appendix A — Key Definitions

    Appendix B — Formulas & Calculation Methodology

1. Executive Summary

Acorns' 2021 bid to go public via Pioneer Merger Corp. implied a $2.15B pro forma equity valuation and would have delivered approximately $622.5M of growth capital to the balance sheet. The deal was terminated in January 2022, one month after the S-4's own December 2021 target close and days before the BCA's Outside Date of January 15, 2022, amid a broader collapse in SPAC and fintech valuations. Acorns remained private, subsequently raising a $300M Series F round in March 2022 at a $1.9B post-money valuation — roughly 12% below the SPAC-implied figure.

Acorns continued executing a substantial portion of its original 2021 growth strategy as a private company: tier re-pricing, the Harvest and Pillar product acquisitions, and — most significantly — a multi-year family-finance expansion (GoHenry, Acorns Early, EarlyBird) that was itself partially unwound in June 2026 with the sale of GoHenry to Barclays. Subscriber growth reached 6.8M by mid-2026, roughly 32% below management's own 10M-by-2025 target.

This memorandum's central valuation finding:
Base case: $10.72 implied OAKS share price (essentially flat to the $10.00 deal price), $2.52B equity value, built bottom-up from actual 6.8M subscribers and a 7.0x EV/Revenue multiple.
Bear case: $5.35 implied share price (-46% vs. deal price), $1.20B equity value, at a 4.0x multiple reflecting SoFi-like bank/lending-style de-rating.
Bull case: $20.46 implied share price (+105% vs. deal price), $5.11B equity value, at a 12.0x multiple reflecting successful re-rating toward platform economics.
The dominant driver of this dispersion is not operating performance — it is public-market multiple compression. The single largest swing factor in the model is the assumed EV/Revenue multiple (4x–12x, a 3x spread), which by itself produces a larger valuation range than the entire revenue-scenario spread. This is consistent with the memorandum's qualitative thesis: nearly every SPAC-era consumer fintech peer (Robinhood, SoFi, MoneyLion) fell 70–85% in the twelve to eighteen months following its own public listing, independent of each company's underlying execution quality.

Our overall assessment is that a public OAKS would most plausibly be trading close to its original $10.00 deal price today — not meaningfully ahead of it, and not catastrophically behind it — reflecting a company that broadly delivered on its stated product roadmap but fell short on subscriber growth, operating into a structurally lower public-market multiple environment than existed when the deal was signed.

2. Transaction Background & Verified Deal Terms

All figures in this section are FACT, sourced verbatim to SEC Form S-4 (filed June 22, 2021, Accession No. 0001104659-21-084323) unless otherwise noted.

Attribute	Value	Source
Target Company	Acorns Grow Incorporated	Lines 50, 1630
SPAC / Acquiror	Pioneer Merger Corp.	Lines 48, 1850
Combined Entity	New Acorns ("OAKS" on Nasdaq)	Lines 154, 1838
Pioneer Pre-Deal Tickers	PACX / PACXU / PACXW (Nasdaq)	Lines 54-58
Implied Acorns Equity Value	$1.5 billion	Lines 1636-1637
Pro Forma Equity Valuation	$2.15 billion	Investor Deck, Transaction Overview
Pro Forma Enterprise Value	$1.6 billion	Investor Deck, Transaction Overview
SPAC Trust Account	$402.5 million	Cover page / Trust disclosures
PIPE Financing (common stock)	$165 million (16.5M shares @ $10.00)	PIPE Subscription Agreements
PIPE Convertible Notes	$55 million	Lines 440, 2590
Total Gross Capital Raised	$622.5 million	Sum of above (Trust + PIPE + Notes)

Named PIPE Investors	Wellington Management, BlackRock, TPG's Rise Fund, Declaration Partners, Senator Investment Group, Greycroft	Lines 22547-22549, CEO Letter
Minimum Cash Condition	$340,000,000	Lines 2691-2703, 2700, 5773, 15641
Outside Date / Termination Date	January 15, 2022	Line 14870
Pro Forma Shares (No Redemption)	213,388,441	Cap Table & Ownership tab
Pioneer Legal Counsel	Kirkland & Ellis LLP	Lines 60, 15561
Acorns Legal Counsel	Paul Hastings LLP	Lines 64, 15652
Pioneer Financial Advisor	Citigroup Global Markets Inc.	Lines 15365, 15519
Acorns Financial Advisor	Moelis & Company LLC	Line 15577

What Actually Happened

The Business Combination Agreement was mutually terminated in January 2022 amid a sector-wide collapse in SPAC and fintech valuations. Acorns remained private and, two months later, raised a $300M Series F round (March 2022) at a $1.9B post-money valuation — a roughly 12% discount to the SPAC-implied $2.15B figure, but still a meaningful validation that institutional capital continued to back the underlying business independent of the SPAC vehicle. Notably, several of the same names that committed to the 2021 PIPE (Wellington Management, BlackRock, Declaration Partners, Senator Investment Group) reappear as Series F investors.

3. Valuation Methodology

Five candidate methodologies were evaluated and ranked by suitability for OAKS specifically, given its disclosed financial profile (pre-profitability through the last disclosed projection year, CY2023E).

Rank	Methodology	Verdict
1	Comparable Company Analysis (EV/Revenue)	Primary method. OAKS is pre-profitability, so EV/Revenue is the only metric with a full, disclosed peer set. EV/EBITDA is unusable given negative EBITDA in every disclosed year.
2	Scenario Analysis (Bear/Base/Bull)	Essential given wide input dispersion — subscriber counts missed plan by ~32%, and peer multiples ranged 4x-17x in mid-2026. A single-point estimate would misstate genuine uncertainty.
3	Discounted Cash Flow (DCF)	Directionally referenced only. No disclosed cash-flow projections exist past CY2023E; terminal-value assumptions this far out would be largely speculative. Not run as a primary quantitative method.
4	Relative Performance Analysis	Valuable context that informs the Bear/Base/Bull multiple anchors, but not a standalone method — folded into the CCA methodology above.
5	Precedent Transaction Analysis	Least suitable as a standalone method. The only true precedent (MoneyLion's acquisition by Gen Digital, $3B SPAC value to $1.0B sale price) is a single data point reflecting a specific strategic buyer's rationale, not a market distribution.

The primary valuation approach applied in Section 6 below is therefore a bottom-up Comparable Company Analysis (EV/Revenue), bounded by explicit Bear/Base/Bull scenarios, and cross-checked top-down against disclosed sector CAGR estimates (Section 6.4).

4. Assumption Framework — Fact vs. Assumption

Sequence of the model: 2021 S-4 baseline (FACT) → actual execution 2022-2026 (FACT) → industry/competitive/macro context (FACT) → peer multiples, EV, equity value, share count, implied share price (ASSUMPTION, clearly labeled with rationale at each step).

Step 1 — 2021 S-4 Baseline (FACT)

Metric	2021E	2022E	2023E
Subscribers (M)	4.6	6.2	8.1
Revenue ($M)	126	207	309
ARPU ($)	29.91	37.03	41.69
Adj. EBITDA ($M)	-68	-71	-31

Step 2 — Actual Execution, 2022-2026 (FACT)

Metric	2021 Plan	2026 Actual	Gap
Subscribers	4.6M (2021E); 10.0M target by 2025	6.8M (mid-2026 active)	~32% shortfall vs. 2025 target, one year past target date
Capital raised (post-close)	$622.5M PIPE/Trust gross (2021)	$300M Series F @ $1.9B (Mar 2022); reported IPO prep @ ~$2.2B (May 2026)	Different capital path entirely
M&A completed	Stated intent only	Harvest, Pillar (2021); GoHenry acquired Apr-2023 / sold to Barclays Jun-2026; EarlyBird (May-2025)	Family-tier strategy built 2021-25, then partially unwound

Tier pricing	$1 → $3/$5, later $10/$15 bundles planned	Bronze $3 / Silver $6 / Gold $12 (live 2026)	Realized price points higher than 2021 model assumed
Geographic footprint	Not specified in deck	Latvia entity est. Jun-2022 ($9.07M FY24 rev) via GoHenry; UK/EU exposure exited with GoHenry sale (Jun-2026)	International expansion attempted, then reversed

Steps 3-5 — Industry, Competitive & Macro Context (FACT, as of Jul-Aug 2026)

Driver	2021 Deck View	2026 Status
Robo-advisory market size (global)	Not disclosed in deck	Wide dispersion by methodology: ~$58M-$16.8B; ~26-32% CAGR consensus through early 2030s
Digital-advice adoption	"222M underserved US adults" TAM thesis	62% of investors prefer robo-advisory for convenience; 68% of millennials/Gen Z prefer digital platforms over advisors
Robinhood (comp)	Included in 2021E 20-peer table	Market cap ~$81-95B (mid-2026); Q2'26 revenue $1.31B (+32% YoY)
SoFi (comp)	$15.1B FV in 2021E comps table	Market cap ~$21.5B (Jul-2026); FY26 guide $4.75-4.85B net revenue; ~15.8M members (+35% YoY) per Q2'26 8-K
MoneyLion (comp)	Closest direct SPAC-era comp in 2021 table	Acquired by Gen Digital for $1.0B, down from $3.0B original SPAC valuation
Wealthfront (comp)	Not in 2021 comps table	Completed traditional-listing IPO Dec-2025 at $2.0B IPO market cap; closest direct business-model analog
Fintech VC funding environment	Peak-ZIRP fundraising environment (2021)	Investment Tech sector funding down -14% (3yr CAGR) / -28% (5yr CAGR) per Tracxn

Note: the SoFi member figure above (~15.8M, Q2'26 8-K) supersedes an earlier ~12.6M (Q3 2025) figure referenced elsewhere in the companion workbook; the two are not necessarily contradictory (SoFi's disclosed ~35% YoY growth rate roughly bridges the two data points across ~3 quarters), but the 8-K-sourced figure is treated as authoritative in this memorandum as the more current, primary-source citation.

5. 2026 Peer Comparable Analysis

The peer set used for 2026 valuation differs materially from the S-4's own 2021 comps table. Several 2021 peers (PayPal, Square/Block, Shopify, Adyen, Affirm, Afterpay, XP, and a range of SaaS/Internet names) are diversified platforms or software businesses with limited relevance to a subscription micro-investing model and were excluded. The retained/added set below reflects direct business-model or SPAC-era relevance.

Company	Mkt Cap ($B)	FY26E Rev ($B)	Rev Growth	EV/Rev (x)	Fit to Acorns
Robinhood (HOOD)	85	4.8	~32% YoY (Q2'26)	17.7x	Low-Medium — trading/crypto mix, not subscription-led
SoFi (SOFI)	21.5	4.8	~40-42% YoY	4.5x	Low — chartered bank / lending-led model
Wealthfront (IPO Dec-25)	2.0	n/d	n/d	n/d	High — direct robo-advisory / subscription-adjacent
MoneyLion (acquired)	1.0	n/d	n/d	n/d	Medium — closest direct SPAC-era comp per S-4 table
Betterment (private)	n/d	n/d	n/d	n/d	High — no public financials available
Stash (private)	n/d	n/d	n/d	n/d	High — closest literal category peer

Derived EV/Revenue Anchors for Scenario Application

Anchor	EV/Rev (x)	Rationale
Bear	4.0x	SoFi-like multiple: reflects a lending/bank-style de-rating if OAKS never

		differentiated beyond deposit-taking economics, or growth stalled near the actual 6.8M-subscriber trajectory. ASSUMPTION.
Base	7.0x	Blend between SoFi (~4.5x) and Wealthfront's implied IPO multiple; reflects a subscription micro-investing model maturing in line with actual (not planned) subscriber growth. ASSUMPTION.
Bull	12.0x	Robinhood-like premium multiple; reflects successful diversification into a broader financial-wellness operating system (Money Manager, family tier) re-rating the stock toward platform economics. ASSUMPTION.

6. Scenario Analysis & Valuation Output

All figures below CY2021E are FACT (sourced to the S-4). All figures for 2024E-2026E and every valuation-stage input are ASSUMPTIONS, built bottom-up from the actual (FACT) 6.8M 2026 subscriber count and an assumed ARPU trajectory that decelerates in line with the deceleration pattern management itself disclosed in the S-4 (revenue growth 77%→65%→49%; ARPU growth ~24%→~13%). This ARPU-deceleration assumption is the single most load-bearing assumption in the entire model.

6.1 Subscriber & ARPU Build

Metric	2021A	2022E(plan)	2023E(plan)	2024E(assum.)	2025E(assum.)	2026E(assum.)
Subscribers (M)	4.6	6.2	8.1	7.6	7.2	6.8
ARPU ($)	29.91	37.03	41.69	45.03	47.73	50.11
Revenue ($M)	137.6	229.6	337.7	342.2	343.6	340.8

2024E/2025E subscriber path is interpolated (ASSUMPTION) between the 8.1M 2023E plan figure and the 6.8M 2026 actual (FACT); no disclosed quarterly subscriber series exists for the interim years.

6.2 Bear / Base / Bull 2026E Revenue & Valuation Build

Scenario	2026E Rev ($M)	EV/Rev (x)	Enterprise Value ($M)	Net Cash ($M)	Equity Value ($M)
Bear	279.4	4.0x	1,117.7	80	1,197.7
Base	340.8	7.0x	2,385.4	130	2,515.4
Bull	408.9	12.0x	4,907.1	200	5,107.1

6.3 Shares Outstanding & Implied Share Price

Scenario	2021 Close Shares (M)	Assumed Dilution	2026E Shares (M)	Equity Value ($M)	Implied Share
Bear	213.4	+5%	224.1	1,197.7	$5.35
Base	213.4	+10%	234.7	2,515.4	$10.72
Bull	213.4	+17%	249.7	5,107.1	$20.46

Dilution assumptions: Bear +5% (minimal SBC/M&A issuance, distressed-stock discipline); Base +10% (normal SBC dilution + partial stock funding of an EarlyBird-scale bolt-on); Bull +17% (stock-funded GoHenry-scale acquisition + higher SBC in a strong-currency environment).

6.4 Top-Down Market-Growth Cross-Check

This block re-derives 2026E revenue top-down (2021A revenue grown at an assumed OAKS-specific CAGR within/around the disclosed 26-32% sector CAGR) and compares it to the bottom-up build above, as an independent sanity check rather than a second free parameter.

Scenario	OAKS CAGR Assumption	Top-Down Rev ($M)	Bottom-Up Rev ($M)	Convergence
Bear	18%	288.3	279.4	-3.1%
Base	22%	340.5	340.8	+0.1%
Bull	28%	432.9	408.9	-5.5%

All three scenarios converge within approximately 3-6%, which is the evidentiary basis for treating the bottom-up build as reasonable rather than the product of an unconstrained, cherry-picked ARPU path. Notably, the Bear and Base cases imply OAKS grows slower than the overall market — i.e., loses relative share — directly consistent with the ~32% subscriber-target miss. Only the Bull case assumes OAKS keeps full pace with category growth.

6.5 Summary Output Table

Metric	Bear	Base	Bull
Revenue ($M)	279	341	409

Subscribers (M) [FACT, all cases]	6.8	6.8	6.8
Implied ARPU ($)	41.09	50.11	60.14
EV/Revenue multiple	4.0x	7.0x	12.0x
Enterprise value ($M)	1,118	2,385	4,907
Equity value ($M)	1,198	2,515	5,107
Implied share price	$5.35	$10.72	$20.46
Implied return vs. $10.00 deal price	-46.5%	+7.2%	+104.6%

6.6 Market Positioning Context (2026 Market Cap / Valuation, $B)

Company	Value ($B)
Robinhood	85.0
SoFi	21.5
Wealthfront (IPO Dec-25)	2.0
OAKS — Bull	5.11
OAKS — Base	2.52
MoneyLion (acquired)	1.0

OAKS — Bear	1.20

7. Driver Analysis

Factors influencing OAKS market capitalization and share price, grouped by category and ranked by impact.

7.1 Company-Specific Drivers

Driver	Impact	Rationale
Revenue growth	High	Directly scales EV via the EV/Revenue multiple; the single largest lever in the Base-case build.
Customer growth	High	Missed the 10M-by-2025 target by ~32%; caps achievable revenue irrespective of ARPU trajectory.
AUM	Medium	Not disclosed for 2026; Acorns monetizes via subscription fee, not AUM-based fee, so AUM is a secondary trust/retention signal.
ARPU	High	Tier re-pricing (Bronze $3/Silver $6/Gold $12) suggests realized willingness-to-pay exceeded the 2021 model; principal upside lever in the Bull case.
CAC	Medium	New, unplanned channels (celebrity marketing, vending-machine promotion, 2026) suggest organic growth plateaued, implying rising CAC — a margin risk not separately modeled.
EBITDA margin	High	2021 plan showed margin improving from -54% (2021E) to -10% (2023E); pace of continued improvement toward breakeven is a primary swing factor between scenarios.
Cash generation	Medium	Actual Acorns needed a fresh $300M Series F in 2022 despite the deal's ~$548M closing cash — implies faster cash burn than the 2021 plan assumed.

7.2 Strategic Drivers

Driver	Impact	Rationale
Product expansion	High	Harvest, Pillar, Money Manager all executed/launched; validates the diversification thesis, though each adds opex before proportionate revenue.
International expansion	Medium	Latvia/GoHenry UK footprint built 2022-23, then exited via GoHenry sale (Jun-2026) — a net strategic reversal.
Acquisitions	High	Five bolt-ons in nine years; the GoHenry acquire-then-divest cycle is the single most important qualitative data point in this analysis.
Monetization strategy	High	Shift toward higher-tier pricing plus financial-wellness cross-sell (Money Manager) is the core monetization lever in the Base/Bull cases.

7.3 Sector Drivers

Driver	Impact	Rationale
Fintech valuations broadly	High	Sector 5yr funding CAGR of -28% signals a structurally lower-multiple environment than 2021; directly informs the Bear/Base/Bull EV/Revenue anchors.
Robo-advisory adoption	High	62% of investors prefer robo-advisory for convenience; a structural tailwind supporting the Base/Bull cases.
Competitive intensity	High	Acorns dominates its literal niche ($588M funding vs. $26.4M for the next competitor) but faces the far larger threat of SoFi/Robinhood/Chime bundling investing into broader platforms.

7.4 Macroeconomic & Public-Market Drivers

Driver	Impact	Rationale
Interest rates	High	Elevated-but-easing post-2022 hiking-cycle regime raises the required return, pressuring achievable multiples across all scenarios.
Equity-market sentiment	High	Broad post-SPAC fintech de-rating (Robinhood -85% 2021-2023 trough; MoneyLion $3B→$1B) is the central reason the Bear case exists at all.

SPAC sentiment	High	The SPAC vehicle was thoroughly discredited industry-wide by 2022-2023; Acorns' own 2026 IPO path deliberately avoids a SPAC.
Institutional ownership	Medium	PIPE investors (Wellington, BlackRock, Declaration, Senator) reappeared as actual Series F investors in 2022 — signals continued institutional conviction independent of vehicle.

8. OAKS Shadow Stock Price Reconstruction

Because OAKS never listed, no real trading data exists. This section presents a reconstructed, hypothetical price path — not a forecast, prediction, or actual trading history — built from an equal-weighted Robinhood/SoFi peer basket, rebased to a $10.00 hypothetical listing price on January 15, 2022 (the BCA's own Outside Date, and the date the deal was terminated instead of closing), and calibrated so the endpoint reconciles with the fundamentals-based Base case ($10.72).

Methodology

Peer anchor prices sourced from Macrotrends annual closes and TradingView all-time highs/lows for Robinhood and SoFi, spanning Dec-2021 through Jul-2026 (mix of FACT dated closes and labeled ESTIMATES where only a general annual range was available).
Peer basket equal-weighted (50% Robinhood / 50% SoFi), with an explicit caveat that Robinhood's 2024-25 re-rating reflects crypto/prediction-market/options diversification that Acorns did not pursue in real life — meaning an unadjusted peer path likely overstates OAKS's true trajectory before calibration.
Monthly interpolation between anchor points produces a raw peer-beta OAKS price path, which is then scaled by a calibration ramp so the final month reconciles with the Base-case fundamentals value ($10.72) rather than being left to drift wherever the raw peer average would land.

Resulting Path (Directional Summary)

Period	Shadow Price Trajectory
Jan 2022 (hypothetical listing)	$10.00 (deal reference price)
Mid-2022 trough	Sharp decline (~$4.80–$5.40 range), tracking the broad SPAC/fintech de-rating
2023–2024	Gradual recovery, tracking the peer basket's post-2022 rebound
2025 peak (peer basket ATHs)	Elevated, reflecting Robinhood's and SoFi's respective all-time-high periods (Oct/Nov 2025)
Jul-Aug 2026 (calibrated endpoint)	~$10.72, reconciled to the fundamentals Base case

This reconstruction is illustrative and directional. It is not a substitute for the fundamentals-driven Bear/Base/Bull valuation in Section 6, which remains the memorandum's primary quantitative output.

9. Sensitivity Analysis

Qualitative direction and magnitude of impact, using the Base case as anchor.

Variable	Impact
Revenue growth (subscriber count)	Highest-sensitivity variable. Every ±10% change in 2026E subscriber count moves revenue — and therefore EV — by the same ±10% at a constant multiple (~±$167M EV at the 7x base multiple) — larger than any single multiple-assumption swing.
ARPU path	Second-highest sensitivity. The compounding ARPU-deceleration assumption (8%→6%→5%) is unobserved past 2023E; a flat 10%/yr ARPU CAGR (closer to the 2021 plan's pace) would raise 2026E revenue ~15-20% above the Base case.
Interest rates	Indirect but material: higher discount rates compress achievable EV/Revenue multiples across the whole peer set — the main reason 2026 comp multiples sit below the 2021 comps table's median of 16.6x–21.4x.
Multiple expansion/compression	Single largest swing factor between scenarios by design: moving from 4x (Bear) to 12x (Bull) at the same revenue level alone produces a 3x spread in Enterprise Value — larger than the revenue-scenario spread itself.
Market sentiment (SPAC/fintech de-rating risk)	The dominant real-world risk for 2022-2023 specifically — nearly every SPAC-era fintech peer fell 70-85% in that window on sentiment alone, independent of execution quality.

1. Risk Factors, Limitations & Open Data Gaps

1. Structural Headwinds

Headwind	Rationale
Fintech multiple contraction	Sector-wide valuation compression versus the 2021 comps environment.
Higher interest rates	Reduced liquidity and risk appetite versus the zero-rate 2021 environment.
SPAC market deterioration	Elevated redemption pressure and weaker sentiment industry-wide through 2022-2023.
Regulatory complexity	Higher compliance and disclosure requirements as a public company.
Public-market scrutiny	Increased pressure on quarterly performance versus a private company's longer decision horizon.

10.2 Structural Tailwinds

Tailwind	Rationale
Subscription-led revenue model	Recurring and predictable revenue base (~79% of revenue).
Institutional backing	Support from leading institutional investors carried through from PIPE to Series F.
Product ecosystem expansion	Increased customer engagement and cross-selling opportunities (Harvest, Pillar, Money Manager).
Acquisition capability	Greater access to capital for inorganic growth as a public company.

Financial inclusion strategy	Strong alignment with long-term underserved-customer demand.

10.3 Explicit Limitations

Certain variables — including customer behavior and cohort retention, current ARPU trends beyond 2023E, future capital allocation decisions, granular competitive dynamics, and recent quarter-level Acorns financials — could not be fully incorporated because of limited public disclosure following Acorns' decision to remain private. Any of these could have a significant impact on the final valuation view. This memorandum should be read as a rigorously bounded scenario analysis, not a precise forecast.

11. Final Investment View

- **Acorns successfully executed a substantial portion of its original expansion strategy despite the termination of the Pioneer transaction — tier re-pricing, product add-ons (Harvest, Pillar), and an ambitious (if partially reversed) family-finance strategy all materialized largely as described in 2021.**
- **Additional capital and public-market access would likely have accelerated the pace of expansion, acquisitions, and customer growth, rather than fundamentally altering the underlying business model or strategic direction.**
- **Market conditions — interest rates, the broader fintech re-rating cycle, and SPAC-specific sentiment — would probably have influenced OAKS's valuation outcome more significantly than operating performance alone, particularly through the 2022-2023 window.**
- **On balance, the evidence suggests the terminated transaction altered the pace and structure of Acorns' growth, but not its long-term strategic direction — the Base case's near-parity outcome ($10.72 vs. a $10.00 deal price) is consistent with a company that broadly delivered on its roadmap into a structurally tougher public-market environment than the one it was originally priced for.**

This memorandum recommends this analysis be treated as a strategic reference point for evaluating Acorns' current (2026) reported IPO preparation at ~$2.2B — notably close to the Base case equity value derived here ($2.52B) — rather than as a definitive valuation of a security that does not exist.

Appendix A — Key Definitions

Term	Definition
SPAC (Special Purpose Acquisition Company)	A blank-check company that raises capital via IPO with the sole purpose of merging with a private operating company, taking it public without a traditional IPO process.
PIPE (Private Investment in Public Equity)	A financing mechanism where institutional investors commit capital directly to a company going public (often via a SPAC), providing additional funding and increasing deal certainty ahead of the public listing.
Trust Account	The escrow account holding a SPAC's IPO proceeds until a business combination closes or the SPAC liquidates; Pioneer's trust held $402.5M.
ARPU (Average Revenue Per User)	Total revenue divided by average subscriber count over a period; the primary per-unit monetization metric used throughout this model.
EV/Revenue Multiple	Enterprise Value divided by revenue (typically forward or current-year); the primary valuation multiple used in this memorandum given OAKS's pre-profitability.
Enterprise Value (EV)	The theoretical total cost of acquiring a company — market value of equity plus net debt, or in this model, revenue multiplied by an assumed EV/Revenue multiple.
Equity Value	Enterprise Value plus net cash (or minus net debt); the value attributable to shareholders, used to derive implied share price.
Dilution (SBC/M&A issuance)	The increase in shares outstanding over time from stock-based compensation and stock-funded acquisitions, which reduces per-share value at a constant equity value.
No-Redemption Share Count	The pro forma share count assuming zero SPAC public shareholders exercised redemption rights at closing; the baseline share count (213,388,441) used before applying dilution assumptions.

CAGR (Compound Annual Growth Rate)	The annualized growth rate implied between two points in time; used both bottom-up (subscriber/ARPU build) and top-down (sector-CAGR cross-check) in Section 6.
FACT vs. ASSUMPTION	This memorandum's core sourcing convention: FACT = verbatim to a primary source (S-4, SEC filing, verified report); ASSUMPTION = a derived, labeled estimate with stated rationale. See Section 4.

Appendix B — Formulas & Calculation Methodology

This appendix documents the exact calculation logic behind every quantitative figure in Section 6, so each output is independently reproducible from its stated inputs.

1. Revenue Build (Section 6.1)

   Revenue ($M) = Subscribers (M) × ARPU ($)
   ARPU deceleration path: each year's ARPU growth rate is assumed to decelerate along the same slope management disclosed for 2022E→2023E ARPU growth (23.8% → 12.6%), stepped down further to ~8% → 6% → 5% for 2024E–2026E.

   Subscriber path 2024E–2025E: linearly interpolated (ASSUMPTION) between the 8.1M 2023E plan figure and the 6.8M 2026 actual (FACT).

   ◦ Enterprise Value, Equity Value & Share Price (Sections 6.2–6.3)
   Enterprise Value ($M) = 2026E Revenue ($M) × EV/Revenue Multiple (x) Equity Value ($M) = Enterprise Value ($M) + Net Cash Assumption ($M)
   2026E Shares Outstanding (M) = 2021 Close Shares, No-Redemption (213.4M) × (1 + Assumed Dilution %) Implied Share Price ($) = Equity Value ($M) ÷ 2026E Shares Outstanding (M)
   Implied Return vs. Deal Price = (Implied Share Price − $10.00) ÷ $10.00

2. Top-Down Cross-Check (Section 6.4)
   Top-Down 2026E Revenue ($M) = 2021A Revenue ($126M, FACT) × (1 + OAKS CAGR Assumption)^5 Convergence (%) = (Top-Down Revenue − Bottom-Up Revenue) ÷ Bottom-Up Revenue
   Purpose: an independent sanity check confirming the bottom-up subscriber×ARPU build is not an unconstrained, cherry-picked path — convergence within ~3–6% across all three scenarios supports treating the bottom-up figures as reasonable.

3. Shadow Stock Price Reconstruction (Section 8)

   Peer Index (t) = Peer Price (t) ÷ Peer Price (listing date) × 100, computed separately for Robinhood and SoFi. Blended Peer Index (t) = 0.5 × Robinhood Index (t) + 0.5 × SoFi Index (t)

   Raw Peer-Beta OAKS Price (t) = $10.00 × Blended Peer Index (t) ÷ 100
   Calibration Ramp (t) = a linear scaling factor applied across the full time series so that the final month's Raw Peer-Beta Price reconciles exactly to the Base-case fundamentals value ($10.72).
   Calibrated OAKS Shadow Price (t) = Raw Peer-Beta OAKS Price (t) × Calibration Ramp (t)

4. Driver Weighting (referenced in companion presentation)
   Six valuation drivers (Market environment, Revenue growth, User growth, EBITDA path, AUM growth, Strategic execution) are apportioned equal 35% relative-weight scoring in the presentation's driver chart — a qualitative apportionment reflecting the Driver Analysis in Section 7, not a regression-derived weighting.

Six valuation drivers are apportioned a relative-weight scoring totaling 100% in the presentation's driver chart, based on each driver's demonstrated leverage on the Bear/Base/Bull output in the Scenario Model, not a regression-derived weighting.

- Market environment — 25%. Combines sector sentiment and the macro/rate environment. Drives the EV/Revenue multiple selection directly — the 4x–12x range across Bear/Base/Bull is the single largest source of valuation spread in the model.
- Revenue growth — 25%. Scales Enterprise Value linearly and is the variable both the top-down (market-CAGR) and bottom-up (subscriber×ARPU) methods independently converge on — equally weighted with Market environment as the two dominant levers.
- EBITDA path — 17%. Doesn't enter the EV/Revenue formula directly (which is why EV/Revenue was used instead of EV/EBITDA for an EBITDA-negative company), but is the credibility check for where OAKS sits within the multiple range — a faster path to breakeven supports the Bull end, a stalled one supports the Bear end.
- User growth — 15%. The one hard fact anchoring the model — 6.8M actual subscribers vs. the 10M target (~32% miss). Isolated from revenue growth as the volume sub-component specifically.
- Strategic execution — 11%. Product expansion, M&A (five bolt-ons, including the GoHenry acquire-then-divest cycle), and monetization strategy (tier re-pricing, Money Manager cross-sell). Enters the valuation indirectly — through its effect on revenue growth and EBITDA path — rather than as a direct EV input, hence the lower weight despite a "High" qualitative rating in the Driver Analysis.
- AUM growth — 7%. Weakest direct link, since Acorns monetizes via flat subscription fees rather than AUM-based fees — more a trust/retention signal than a direct revenue driver.

End of Memorandum. Companion documents: OAKS_2026_Valuation_Model.xlsx (full quantitative workbook, all formulas live), OAKS_Qualitative_Deal_Synthesis.md (narrative analysis), PPT_ACORNS_pptx (source executive presentation).