



ESG Risk Analysis in SPAC Investments: Kognetics® and the use of AI in Capital Markets Development

Description: Special purpose acquisition company (SPAC) investment vehicles are on the rise. In 2020, SPACs made up the majority of the growth in the U.S. IPO market with \$83.4 billion raised.² So far in 2021, SPACs have raised more than they raised in all of 2020. Due to this rise, capital markets around the world are now seeking to offer SPAC listings or expand their SPAC listings. As investments through SPACs increase, it becomes key to incorporate ESG considerations in identifying target companies.

New advances in artificial intelligence (AI) can help investment teams discover promising opportunities to accelerate global sustainability in emerging markets generally, and in SPAC investments. In particular, mergers & acquisitions (M&A) teams can leverage an AI-based investment platform to identify suitable target companies and strategic growth opportunities in sustainability by identifying patterns that are not detectable through conventional methods. Conventional methods of identifying sustainable investment opportunities in emerging markets are highly intermediated and inefficient with investment teams reliant on, and limited to, the knowledge of brokers and incomplete information, resulting in suboptimal pairing of investors and investments.¹ In today's M&A market, the combination of an AI-based investment platform with the SPAC investment vehicle is being used as a powerful tool to accelerate sustainability investment in emerging markets.

Dr. Jonathan R. Everhart and his SPAC team have pioneered an innovative SPAC method that uses a global leading AI-based technology platform, called Kognetics®, to aid in improving a SPAC's long-term investment performance and sustainability investment in emerging markets. Kognetics® incorporates AI-based predictive analytics into M&A and corporate strategic planning. Through their SPAC + Kognetics® method, the Kognetics® technology is used in the SPAC target company search and post-merger growth strategies to identify suitable target companies and strategic growth opportunities. This optimizes both of these strategies of a SPAC, which ultimately benefits the long-term investment performance and identification of sustainable investment opportunities to introduce and scale in emerging markets. Kognetics® has been recognized by the World Economic Forum as one of the top technology platforms that is shaping the future of the global capital markets sector. Dr. Everhart and his team are currently launching a series of SPACs with Nasdaq using their pioneering method to revolutionize the global SPAC market. They have built a global infrastructure to launch their SPAC + Kognetics® method with partners including Nasdaq, the United Nations, Siebert Williams Shank, and Goldman Sachs. The convergence of a SPAC

with AI-based predictive analytics will have a key impact on the global capital markets and the World Bank-IFC's work in the acceleration of sustainable economies.

In this session, we will discuss:

- The rising SPAC market globally
- How Kognetics® uses AI for SPAC M&A to accelerate global sustainability investment in emerging markets
- The impact of the convergence of SPACs and AI on sustainability

Additional Resources:

- http://www3.weforum.org/docs/WEF_New_Physics_of_Financial_Services.pdf
- ² <https://www.nasdaq.com/articles/2020-has-been-the-year-of-spac-ipo-3A-here-are-the-prominent-4-2020-12-28#:~:text=In%202020%2C%20SPACs%20make%20up,IPO%20size%20was%20%24337%20million>

Moderated by **Martine Valcin**, Manager - Global Corporate Governance, ESG Advisory, Knowledge and Learning.

Presenter:



Dr. Jonathan R. Everhart, Chairman & CEO – Global ReEnergy Holdings

From fintech to digital economies, Dr. Everhart is shaping the future of these sectors through his commercial and policy work leading a global technology holding company and with top global organizations. He advises public and private officials and organizations in the United States and internationally on enacting policies governing emerging technologies that foster effective policy enactment and continued growth for digital economies around the world.

For instance, he led the creation of the InnovativBank™ Blockchain which digitizes financial instruments onto the blockchain. He leads a \$1 trillion global green bond project with the platform. To date, over \$200 billion in green bonds have been digitized on his company's InnovativBank™ Blockchain (<https://medium.com/proxeus/we-digitized-over-200-billion-in-bonds-onto-the-blockchain-with-proxeus-846673e6a42a>). He is also leading the expansion of

the Kognetics® artificial intelligence platform with Nasdaq across the global M&A, SPAC, and corporate governance sectors.

He is a member of several leading advisory boards, including the Green Technology Advisory Board for the United Nations Environment Programme Science-Policy-Business Forum and the Industry Trade Advisory Committee on Digital Economy for the United States Department of Commerce & United States International Trade Administration. He is currently nominated as a David Rockefeller Fellow for The Trilateral Commission and as a World Economic Forum–Young Global Leader. He holds the following degrees: Doctor of Business Administration (University of the Incarnate Word), Master of Laws in Securities & Financial Regulation (Georgetown University), Master of Laws in Taxation (Georgetown University), Master of Science in Quantitative Management–Business Analytics (Duke University–Fuqua School of Business), Master of Technology Management (Georgetown University), Juris Doctor (Thurgood Marshall School of Law), Master of Business Administration (Angelo State University), Master of Science in Accounting (University of the Incarnate Word), and Bachelor of Business Administration (Angelo State University). He attained Series 6, 63, and 65 FINRA securities industry licenses. He is a corporate attorney, CPA, and tenured corporate law professor.