INVESTMENT FRAMEWORK | PATHWAYS TO GLOBAL CAPITAL

SPAC Funds & Indian Unlisted Companies

Pathways to Global Capital Markets, Exponential Growth & M&A Opportunities

"Indian private companies are systematically undervalued versus global peers. A SPAC merger is the fastest mechanism to reprice on global multiples, access perpetual public capital, and gain M&A currency to drive inorganic growth across borders."

99th Street Advisory · www.99thstreetadvisory.com

01 · What Is a SPAC Fund?

Special Purpose Acquisition Company — the fastest route to global public markets for Indian private companies

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6–18 mo
vs 3–5 yr traditional IPO

$250B+
Global SPAC raised 2020–2024

24 mo
Merger window post-IPO

$300M–$1B
Mid-market SPAC target size

Definition & Structure

A Special Purpose Acquisition Company (SPAC) — a 'blank check company' — is a publicly listed shell formed solely to merge with a private company and take it public. Investors fund the SPAC at IPO; the sponsor then acquires a high-growth private firm within 24 months. A SPAC Fund is a pooled vehicle giving LPs diversified exposure to the de-SPAC pipeline across sectors and geographies.

SPAC Sponsor

Experienced PE/VC manager. Holds 20% promote. Drives deal sourcing and execution.

SPAC Investors

Public market investors who fund the trust. Capital held in escrow — protected until deal closes or redeemed.

Target Company

Indian unlisted high-growth firm. Gains global listing and fresh capital. Founders retain control.

02 · How the De-SPAC Process Works

Seven stages, typically completed in 12–18 months — taking an Indian company public on NYSE, NASDAQ, or SGX

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1 SPAC Formation & IPO

Sponsor incorporates a blank-check company (Delaware/Cayman) and lists on US or Singapore exchange. Funds held in ring-fenced trust at T-bill rates — capital protected until deployment.

2 Target Identification

Sponsor conducts a global search for high-growth private companies — increasingly focused on India's digital, fintech, and deep-tech ecosystem. Proprietary deal sourcing and sector expertise guide selection.

3 Due Diligence & Valuation

Comprehensive financial, legal, and operational due diligence. Unlike a traditional IPO, the company negotiates valuation directly with the SPAC sponsor in a bilateral transaction — faster with greater price certainty.

4 Merger Agreement

SPAC and target sign a Business Combination Agreement. PIPE investors often co-invest to supplement trust funds — bringing marquee institutional names that validate the deal commercially.

02 · How the De-SPAC Process Works (cont.)

Regulatory approvals, shareholder vote, listing, and post-merger integration

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5 Regulatory Approvals

SEBI, RBI (FEMA compliance), exchange regulator (SEC/MAS), and tax structuring addressed in parallel. Cross-border mergers require attention to Indian FDI rules, ODI norms, and potentially an overseas holding structure via Singapore, Mauritius, or GIFT City.

6 Shareholder Vote & De-SPAC Closing

SPAC public shareholders vote on the merger. Dissenters may redeem at trust value (~$10/unit). Post-vote, the merger closes — the Indian company inherits the SPAC's public listing and trust cash flows in as fresh equity capital.

7 Post-Merger Integration

The now-public Indian company operates under US/Singapore exchange rules. Governance upgrades (independent directors, audit committee, SOX-lite compliance), enhanced disclosure norms, and an investor relations function are critical success factors post-listing.

TYPICAL TIMELINE: SPAC IPO → Target Search → Due Diligence → Merger Agreement → Regulatory → Shareholder Vote → **Public Co.**

03 · Benefits for Indian Unlisted Companies

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$150M–$500M
Typical de-SPAC proceeds

Pre-agreed
Valuation certainty — no IPO book-build risk

Day 1
NYSE / NASDAQ / SGX listing

Public Stock
M&A currency for global acquisitions

1 Access to Global Capital Markets

- Indian SaaS firm: 5× revenue locally vs 15× on NASDAQ
- SPAC merger instantly reprices on global multiples
- Perpetual capital engine: follow-on equity, convertibles, ATM facilities
- Unlocks enormous shareholder value from day one

2 M&A as a Strategic Growth Tool

- Public stock = ultimate M&A currency
- Acquire U.S., European, SEA targets by issuing stock — no cash required
- Transform from domestic player to global acquirer
- Roll-up strategies: B2B SaaS, healthcare IT, logistics tech

3 Talent & Brand Elevation

- NASDAQ listing = global brand credibility
- Hire world-class talent globally
- Win Fortune 500 enterprise contracts
- Attract tier-1 mutual funds, pension funds, sovereign wealth funds

4 Founder-Friendly Structure

- Lock in valuation floor — no roadshow uncertainty
- Retain meaningful equity & negotiate earnouts
- Maintain voting control via dual class share structures
- Bilateral negotiation between aligned parties

GIFT CITY & REGULATORY TAILWINDS: India's GIFT City IFSC enables SPAC-like structures domestically. SEBI's evolving cross-border merger framework and RBI's liberalised ODI norms further reduce structural friction for Indian firms pursuing overseas listings.

04 · Target Sectors for Indian Companies

Highest SPAC attractiveness — large addressable markets, proven revenue models, compelling global growth narratives

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Highest Fit	B2B SaaS & Enterprise Tech	Zoho-tier, HR tech, ERP
Highest Fit	Fintech & Payments	Lending, WealthTech, InsurTech
Strong Fit	HealthTech & Diagnostics	Telemedicine, diagnostics AI
Strong Fit	EV & Clean Energy	EV infrastructure, solar, battery
Strong Fit	Deep Tech & AI	AI/ML platforms, semiconductors
Moderate	EdTech & Skilling	Online learning, vocational
Moderate	Logistics & Supply Chain	Freight platforms, cold chain
Moderate	Manufacturing & AgriTech	Precision farming, agri-fintech

India has 8 sector categories with compelling SPAC narratives — spanning the full spectrum from highest fit (fintech, SaaS) through to emerging opportunities (manufacturing, agritech) — all underpinned by India's economic growth story.

05 · SPAC Merger vs Traditional IPO

A structured comparison — why SPAC is the compelling route for high-growth Indian unlisted companies

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FEATURE	SPAC MERGER	TRADITIONAL IPO
Timeline to Listing	✓ 6–18 months	✗ 3–5 years preparation
Valuation Certainty	✓ Pre-agreed — no uncertainty	✗ Market-dependent book-build
Forward Projections	✓ Permissible — shared with investors	✗ Not permitted in prospectus
Founder Control	✓ Dual-class shares possible	✗ Promoter lock-in restrictions apply
Deal Validation	✓ PIPE investors validate deal	✓ Underwriters validate deal
Redemption Risk	! Risk of public investor redemptions	✓ No redemption risk
Sponsor Dilution	! ~20% sponsor promote dilution	✓ No sponsor dilution

06 · Risks & Mitigation Playbook

Risk	Severity	Detail
Redemption Risk	HIGH	Investors exit the SPAC pre-merger, reducing available trust capital
Regulatory Complexity	MED-HIGH	FEMA, SEBI compliance, cross-border merger approvals
Governance Burden	MEDIUM	Post-merger US/SGX exchange rules, SOX-lite, quarterly reporting
Valuation Compression	MEDIUM	Post-merger SPAC stocks often trade below merger price
Sponsor Misalignment	LOW-MED	20% promote may create incentive divergence
FX / Currency Risk	LOW	USD-denominated listing for INR-earning businesses

Mitigation Playbook

Redemption Risk: Secure large PIPE commitments (40–60% of deal size) from anchor investors to reduce reliance on public market redemptions.

Regulatory Complexity: Engage FEMA/SEBI specialists early; structure via GIFT City IFSC or Singapore HoldCo to simplify cross-border fund flows.

07 · 12–24 Month Action Roadmap

A practical roadmap for Indian unlisted companies — from readiness assessment through post-merger M&A execution

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1 *Months 1–3*

Readiness Assessment

Conduct SPAC readiness audit: audited financials (US GAAP or IFRS), corporate governance benchmarking, IP/legal clean-up, and preliminary US valuation benchmarking vs listed peers. Engage an investment bank or SPAC adviser for indicative deal parameters.

2 *Months 3–6*

Sponsor Search & Engagement

Identify and approach SPAC sponsors with sector expertise and India-focused mandates. Evaluate sponsor's track record, available trust size, PIPE network, and post-merger support capability. Shortlist 2–3 sponsors for competitive tension.

3 *Months 6–9*

Structuring & Negotiations

Agree on holding structure (Cayman, Delaware, Singapore, or GIFT City), valuation, earnout provisions, sponsor promote terms, and PIPE investor terms. Engage FEMA counsel, tax advisers, and existing VC investors for full alignment.

4 *Months 9–15*

Regulatory & Deal Execution

File merger proxy (Form F-4/S-4 with SEC) or equivalent. Coordinate SEBI/RBI approvals, NCLT if required, and exchange listing documentation. Run PIPE investor roadshow to secure anchor commitments of $50M–$200M.

5 *Months 15–18*

Close & Day-1 as a Public Company

Shareholder vote, closing, trust funds released. Immediately activate investor relations, quarterly earnings cadence, and analyst coverage. Appoint US-experienced CFO and dedicated IR team if not already in place.

6 *Months 18–24*

M&A & Growth Execution

Deploy proceeds and public equity currency for strategic acquisitions — global SaaS bolt-ons, geographic expansion, or technology tuck-ins. First M&A deal post-listing signals execution capability and can re-rate the stock materially.

SPAC — A Once-in-a-Generation

Opportunity for Indian Unlisted Companies

Leapfrog the Capital Markets Journey

Compress a decade of institutional building into 18 months

Reprice on Global Multiples

From 5× revenue to 15× overnight via public market access

Become a Global Acquirer

Public stock as M&A currency for cross-border consolidation

KEY TAKEAWAY

For high-growth Indian unlisted companies with strong fundamentals and global sector narratives, a SPAC merger represents a once-in-a-generation opportunity to leapfrog the traditional capital markets journey — compressing a decade of institutional building into 18 months.

NEXT STEP WITH 99TH STREET ADVISORY: Conduct a SPAC Readiness Assessment · Identify aligned SPAC sponsors · Structure the optimal cross-border listing pathway