**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 10-K**

**(Mark One)**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2021**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from \_\_\_\_\_\_\_\_\_\_\_ to** \_\_\_\_\_\_\_\_\_\_\_

**Commission file number: 001-39843**

**KludeIn I Acquisition Corp.**

**(Exact name of registrant as specified in its charter)**

|  |  |  |
| --- | --- | --- |
| **Delaware** |  | **85-3187857** |
| **(State or other jurisdiction of incorporation or organization)** |  | **(I.R.S. Employer**  **Identification No.)** |

|  |  |  |
| --- | --- | --- |
| **1096 Keeler Avenue**  **Berkeley, CA** |  | **94708** |
| **(Address of principal executive offices)** |  | **(Zip Code)** |

**Registrant’s telephone number, including area code: (650) 246-9907**

**Securities registered pursuant to Section 12(b) of the Act:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Title of Each Class:** |  | **Trading Symbol(s)** |  | **Name of Each Exchange on Which Registered:** |
| Units, each consisting of one share of Class A Common Stock and one-half of one Redeemable Warrant |  | INKAU |  | The Nasdaq Stock Market |
| Class A common stock included as part of the units |  | INKA |  | The Nasdaq Stock Market |
| Warrants, each exercisable for one share of Class A Common Stock for $11.50 per share, subject to adjustment |  | INKAW |  | The Nasdaq Stock Market |

**Securities registered pursuant to Section 12(g) of the Act: None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐      No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐      No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 day. Yes ☒     No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒      No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definition of “large accelerated filer,” “accelerated filer, “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

|  |  |  |  |
| --- | --- | --- | --- |
| Large accelerated filer | ☐ | Accelerated filer | ☐ |
| Non-accelerated filer | ☒ | Smaller reporting company | ☒ |
| Emerging growth company | ☒ |  |  |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☒      No ☐

The aggregate market value of the shares of Class A common stock outstanding, other than shares held by persons who may be deemed affiliates of the registrant, computed by reference to the closing price for the Class A common stock on June 30, 2021, as reported on the Nasdaq Capital Market was $168,532,500.

As of April 8, 2022 there were 17,250,000 shares of Class A common stock, par value $0.0001 per share and 4,312,500 shares of Class B common stock, par value $0.0001 per share, of the registrant issued and outstanding.

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**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Report (as defined below), including, without limitation, statements under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These forward-looking statements can be identified by the use of forward-looking terminology, including the words “believes,” “estimates,” “anticipates,” “expects,” “intends,” “plans,” “may,” “will,” “potential,” “projects,” “predicts,” “continue,” or “should,” or, in each case, their negative or other variations or comparable terminology. There can be no assurance that actual results will not materially differ from expectations. Such statements include, but are not limited to, any statements relating to our ability to consummate any acquisition or other business combination and any other statements that are not statements of current or historical facts. These statements are based on management’s current expectations, but actual results may differ materially due to various factors, including, but not limited to:

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| --- | --- | --- |
|  | ● | our ability to complete our initial business combination; |

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|  | ● | our success in retaining or recruiting, or changes required in, our officers, key employees or directors following our initial business combination; |

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|  | ● | our officers and directors allocating their time to other businesses and potentially having conflicts of interest with our business or in approving our initial business combination, as a result of which they would then receive expense reimbursements; |

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| --- | --- | --- |
|  | ● | our potential ability to obtain additional financing to complete our initial business combination; |

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|  | ● | the ability of our officers and directors to generate a number of potential acquisition opportunities; |

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|  | ● | our pool of prospective target businesses; |

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| --- | --- | --- |
|  | ● | our public securities’ potential liquidity and trading; |

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|  | ● | the use of proceeds not held in the trust account or available to us from interest income on the trust account balance; and |

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|  | ● | our financial performance. |

The forward-looking statements contained in this Report are based on our current expectations and beliefs concerning future developments and their potential effects on us. Future developments affecting us may not be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Unless otherwise stated in this Report, or the context otherwise requires, references to:

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|  | ● | “anchor investor” is to certain funds advised by Polar Asset Management Partners Inc., which purchased 9.9% of the units sold in our initial public offering (without taking into account the exercise of the over-allotment option) and became a member of our sponsor upon the consummation of our initial public offering |

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|  | ● | “board of directors” or “board” are to the board of directors of the Company; |

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|  | ● | “BTIG” is to BTIG, LLC, the representative of the underwriters in our initial public offering; |

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|  | ● | “Class A common stock” are to the shares of Class A common stock of the Company, par value $0.0001 per share; |
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|  | ● | “Class B common stock” are to the shares of Class B common stock of the Company, par value $0.0001 per share; |
|  |  |  |
|  | ● | “common stock” are to our Class A common stock and our Class B common stock, collectively; |

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| --- | --- | --- |
|  | ● | “Continental” are to Continental Stock Transfer & Trust Company, trustee of our trust account and warrant agent of our public warrants; |

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|  | ● | “DGCL” are to the Delaware General Corporation Law; |

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|  | ● | “DWAC System” are to the Depository Trust Company’s Deposit/Withdrawal At Custodian System; |

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|  | ● | “Exchange Act” are to the Securities Exchange Act of 1934, as amended; |

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|  | ● | “FINRA” are to the Financial Industry Regulatory Authority; |

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|  | ● | “founder shares” are to shares of our Class B common stock held by our initial stockholders prior to our initial public offering, and the shares of our Class A common stock to be issued upon the conversion thereof; |

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|  | ● | “GAAP” are to the accounting principles generally accepted in the United States of America; |

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|  | ● | “IFRS” are to the International Financial Reporting Standards, as issued by the International Accounting Standards Board; |

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|  | ● | “initial business combination” or “Business Combination” are to a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses; |

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|  | ● | “initial public offering” or “Initial Public Offering” are to the initial public offering that was consummated by the Company on January 11, 2021; |

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|  | ● | “initial stockholders” are to our sponsor and any other holders of our founder shares prior to our initial public offering (or their permitted transferees); |

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|  | ● | “Investment Company Act” are to the Investment Company Act of 1940, as amended; |

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|  | ● | “JOBS Act” are to the Jumpstart Our Business Startups Act of 2012; |

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|  | ● | “management” or our “management team” are to our officers and directors |

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|  | ● | “Marcum” are to Marcum LLP, our independent registered public accounting firm. |

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|  | ● | “Nasdaq” are to the Nasdaq Stock Market; |

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|  | ● | “PCAOB” are to the Public Company Accounting Oversight Board (United States); |

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|  | ● | “private placement warrants” or “Private Placement Warrants” are to the warrants issued to our sponsor in a private placement simultaneously with the closing of our initial public offering |

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|  | ● | “public shares” are to shares of our Class A common stock sold as part of the units in our initial public offering (whether they are purchased in our initial public offering or thereafter in the open market); |

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|  | ● | “public stockholders” are to the holders of our public shares, including our initial stockholders and members of our management team to the extent our initial stockholders and/or members of our management team purchase public shares; provided that each initial stockholder’s and member of our management team’s status as a “public stockholder” shall only exist with respect to such public shares; |

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|  | ● | “public warrants” are to our redeemable warrants sold as part of the units in our initial public offering (whether they were purchased in the initial public offering or thereafter in the open market), to the private placement warrants if held by third parties other than our sponsor (or permitted transferees), and to any private placement warrants issued upon conversion of working capital loans that are sold to third parties that are not initial purchasers of our private placement warrants or executive officers or directors (or permitted transferees); |

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|  | ● | “Registration Statement” are to the Form S-1 initially filed with the SEC on December 15, 2020, as amended; |

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|  | ● | “Report” are to this Annual Report on Form 10-K for the fiscal year ended December 31, 2021; |

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|  | ● | “Sarbanes-Oxley Act” are to the Sarbanes-Oxley Act of 2002; |

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|  | ● | “SEC” are to the U.S. Securities and Exchange Commission; |

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|  | ● | “Securities Act” are to the Securities Act of 1933, as amended; |

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| --- | --- | --- |
|  | ● | “sponsor” or “Sponsor” are to KludeIn Prime LLC, a Delaware limited liability company, whose managing members are Narayan Ramachandran, our Chief Executive Officer, and Sriram Raghavan, our Co-President; |

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| --- | --- | --- |
|  | ● | “trust account” or “Trust Account” are to the trust account in the United States at J.P. Morgan Chase Bank, N.A., with Continental acting as trustee into which an amount of $172,500,000 ($10.00 per unit) from the net proceeds of the sale of the units and private placement warrants in the initial public offering was placed following the closing of the initial public offering; |

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|  | ● | “units” or “Units” are to the units sold in our initial public offering, which consist of one public share and one-half of one public warrant; |

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|  | ● | “warrants” are to our redeemable warrants, which includes the public warrants as well as the private placement warrants to the extent they are no longer held by the initial purchaser of the private placement warrants or its permitted transferees; and |

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|  | ● | “we,” “us,” “Company” or “our company” are to KludeIn I Acquisition Corp. |

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**PART I**

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| **Item 1.** | **Business.** |

KludeIn I Acquisition Corp. is a blank check company incorporated in Delaware on September 24, 2020 for the purpose of effecting an initial business combination. While we may pursue a business combination in any sector or geography, we focus our efforts on completing a business combination with a high-quality software or technology-enabled growth business serving consumers or enterprises in the United States with an enterprise value between $500 million and $1.5 billion.

Our management team has extensive experience in both the private and public equity markets, and believes our team’s skill and experience makes us well positioned to deliver attractive risk-adjusted returns by identifying and executing a business combination with one or more attractive targets.

We leverage our extensive network in the venture capital and private equity industries as well as our network among the Indian diaspora, the latter of which we believe has permeated the global technology landscape in the form of entrepreneurs, chief executives and specialist talent pools. We believe our deep connections, and relationships with these networks provides us with access to a differentiated pool of potential target businesses and management teams, and will facilitate a successful business combination transaction.

**Initial Public Offering**

The Registration Statement for our initial public offering became effective on January 6, 2021. On January 11, 2021, we consummated our initial public offering of 17,250,000 units, including 2,250,000 units sold upon the exercise of the underwriters’ over-allotment option in full. Each unit consists of one share of Class A common stock of the Company, par value $0.0001 per share, and one-half redeemable warrant of the Company, with each whole warrant entitling the holder thereof to purchase one share of Class A common stock for $11.50 per whole share. The units were sold at a price of $10.00 per unit, generating gross proceeds to the Company of $172,500,000.

Simultaneously with the closing of the initial public offering, we completed the private sale of an aggregate of 5,200,000 warrants to our sponsor at a purchase price of $1.00 per private placement warrant, generating gross proceeds of $5,200,000.

A total of $172,500,000, comprised of $169,050,000 of the proceeds from the initial public offering and $3,450,000 of the proceeds of the sale of the private placement warrants was placed in the Trust Account.

Our units began trading on January 7, 2021 on The Nasdaq Stock Market under the symbol “INKAU.” On February 26, 2021, we announced that the holders of the Company’s units may elect to separately trade the shares of Class A common stock and warrants included in the units commencing on March 1, 2021. Any units not separated will continue to trade on Nasdaq under the symbol “INKAU.” Any underlying shares of Class A common stock and warrants that are separated trade on Nasdaq under the symbols “INKA” and “INKAW,” respectively.

The past performance of our management team, or their respective affiliates, is not a guarantee either (i) of success with respect to any business combination we may consummate or (ii) that we will be able to identify a suitable candidate for our initial business combination. No member of our management team has been an officer or director of a special purpose acquisition corporation in the past. You should not rely on the historical record of our management team’s or their respective affiliates’ performance as indicative of our future performance.

Members of our management team may become an officer or director of another special purpose acquisition company with a class of securities registered under the Exchange Act even before we have entered into a definitive agreement regarding our initial business combination.

**Our Opportunity**

We are pursuing a business combination with a high-quality software or technology-enabled growth business serving consumers or enterprises in the United States with an enterprise value between $500 million and $1.5 billion. We are searching for a target company that will generate value to its customers and rely on differentiated software for customer acquisition, efficiency gains, process improvement or customer retention and service. While the private capital markets for technology companies have seen a significant influx of capital in recent years, causing companies to remain private longer, we believe there are advantages to being a public company, including increased access to capital, strong brand awareness and increased liquidity for shareholders.

1

We believe that our intended target companies will benefit from becoming publicly-held companies following a business combination with our company. We are targeting growth-oriented companies with a strong and experienced management team that we believe can realize the longer term benefits of being a public company.

**Our Value Proposition**

Our team collectively has made over 100 investments in both public and private markets in the consumer & consumer technology, IT services & enterprise software, financial services & financial technology, healthcare technology and electrical vehicle sectors, which has led to deep domain expertise and industry relationships. We believe our experience in both the private and public markets are a value-add to identifying prospective target companies, primarily high-quality software or technology-enabled growth businesses serving consumers or enterprises in the United States with an enterprise value between $500 million and $1.5 billion.

Our approach to identifying and evaluating potential target companies combines our team’s extensive investing experience with our application of data science and our ability to access management teams through the Indian diaspora network.

We believe our network within the Indian diaspora provides access to a differentiated set of target companies. According to research from the Kauffman Foundation, 33% of all immigrant-founded companies in the United States have Indian founders, a significantly higher percentage than any other ethnicity. From 2012 through 2017, 14 of the 261 private companies with valuations in excess of $1 billion (so-called “unicorns”) had Indian co-founders, and 17 companies with Indian co-founders conducted initial public offerings and commanded a market cap in excess of $26 billion. In addition to the network advantage, we believe our connections to the Indian diaspora provides access to a great talent pool.

**Our Competitive Advantage**

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| --- | --- | --- |
|  | **●** | **Extensive Investment Experience:** Our team members have 75 years of combined investment experience in both private and public markets and have made 100 investments through a variety of investment climates and technology trends. We believe this experience provides us a valuable perspective on potential target businesses. |

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|  | **●** | **Operational Experience:** Our team is comprised of former entrepreneurs who have founded companies, sold companies and taken companies public. Our team members sit on the boards of directors of a number of high-profile private and public companies in both India and the United States. |

|  |  |  |
| --- | --- | --- |
|  | ● | **Strong Network of CXOs and Advisory Board:** We have an extensive network of experienced Chief Experience Officer operators that we believe will add significant value to companies through technological, operational and strategic advice. We believe this network makes us an attractive suitor to potential business combination targets. |

|  |  |  |
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|  | ● | **Complete Spectrum:** Our management team has extensive experience investing across the various phases of a company’s lifecycle. Our team members have collectively sourced, structured and invested in transactions ranging from venture-stage to late-stage growth companies. We understand how companies across the growth spectrum can efficiently use capital to create value. |

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|  | ● | **Experience in Taking a Company Public:** Our team includes managers who have not only invested in public companies but taken companies public. We understand how to guide a company through the transition from private to public. |

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| --- | --- | --- |
|  | ● | **Data Science:** Our data science approach involves deep and fundamental analysis of key operating metrics, IPO performance and sub-sector movements, which we believe provides reliable predictions of target company performance in public markets. |

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|  | ● | **M&A Experience:** Our team has decades of combined experience executing mergers and acquisition transactions on both the buy and sell side as entrepreneurs, bankers and investors. |

|  |  |  |
| --- | --- | --- |
|  | ● | **Due Diligence:** We apply a thorough and focused method for conducting due diligence on both private and public companies. We understand what generates value in public markets and what to look for in terms of company fundamentals and company culture. |

**Business Strategy and Acquisition Criteria**

We believe our team’s skill and experience makes us well positioned to deliver attractive risk-adjusted returns by identifying and executing a business combination with one or more attractive targets.

Our business strategy is to leverage our management team’s extensive industry knowledge, strategic vision and operational capabilities to deliver attractive risk-adjusted returns by identifying and executing a business combination with one or more attractive targets. We focus on targets with the following attributes:

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|  | ● | **Size:** We target entities whose enterprise value is between $500 million and $1.5 billion. |

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|  | ● | **Geographic Location:** We are focusing our search on companies primarily operating in the United States. |

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|  | ● | **Industry:** We are focusing our search on high-quality software or technology-enabled growth businesses serving Consumers or Enterprises in the United States. |

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|  | ● | **Management Team:** We seek companies that are backed by strong management teams. We want to have a supporting and catalyzing role to existing management and encourage the pursuit of value creation strategies. |

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|  | ● | **Operational Maturity:** We are pursuing prospective target companies that have sufficient financial and operational data enabling investment decisions to be made with a high degree of confidence. We seek target companies with a proven ability to scale and execute on a quarterly cadence and outperform peers. |

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|  | **●** | **Cash Flow:** We seek prospective target companies that have the potential to generate strong operating cash flows. We analyze a target company’s financial statements, unit economics and management plan to understand the path to cash flow generation, and we do not make speculative bets where the path to cash flow generation is too risky. |

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|  | **●** | **Growth Potential and Execution Capacity:** We seek prospective target companies that we believe will generate long term value from their growth potential and execution capability rather than valuation arbitrage or financial leverage. |

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|  | ● | **Differentiation:** We seek prospective target companies that demonstrate differentiation that can evolve into a sustainable competitive advantage. We believe this differentiation may exist through an exceptional value proposition, customer contracts, superior execution or product or brand advantage. |

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|  | ● | **Benefit from Being Public:** We seek prospective target companies that will benefit from, and adhere to the complexities of, being a public company. |

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| --- | --- | --- |
|  | ● | **Appropriate Valuation:** We use rigorous valuation analyses as well as other data science approaches to ensure that our business combination is fairly priced with significant upside potential. We are disciplined in regard to preservation of capital and seek a margin of safety to manage risk. |

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| --- | --- | --- |
|  | ● | **Partners for Long Term Growth:** We seek prospective target companies where we can remain partners on a long-term basis and add significant value to the business. We believe our business interests and financial interests ought to align with the target business and its management team. |

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**Sourcing of Potential Initial Business Combination Targets**

Our management team and sponsor have developed a broad network of contacts and corporate relationships. This network has been developed through their experience in sourcing, acquiring, operating, developing, growing, financing and selling businesses; reputations for integrity and fair dealing with sellers, capital providers and target management teams; and experience in executing transactions under varying economic and financial market conditions. This network has provided our management team and sponsor with a flow of referrals that have resulted in numerous transactions. We believe that the network of contacts and relationships of our management team and sponsor provides us with an important source of business combination opportunities. In addition, we anticipate that target business candidates will be brought to our attention from various unaffiliated sources, including investment banking firms, private equity firms, consultants, accounting firms and other business enterprises.

We are not prohibited from pursuing an initial business combination with a company that is affiliated with our sponsor, executive officers or directors, or completing the initial business combination through a joint venture or other form of shared ownership with our sponsor, executive officers or directors. In the event we seek to complete our initial business combination with a target that is affiliated with our sponsor, executive officers or directors, we, or a committee of independent directors, would obtain an opinion from an independent investment banking firm or another independent entity that commonly renders valuation opinions, stating that our initial business combination is fair to our company from a financial point of view.

If any of our executive officers or directors becomes aware of a business combination opportunity that falls within the line of business of any entity to which he or she has then-existing fiduciary or contractual obligations, he or she may be required to present such business combination opportunity to such entity prior to presenting such business combination opportunity to us. Certain of our executive officers currently have certain relevant fiduciary duties or contractual obligations that may take priority over their duties to us. We believe, however, that the fiduciary duties or contractual obligations of our officers and directors will not materially affect our ability to complete our initial business combination, if such opportunities have arisen.

**Initial Business Combination**

Nasdaq rules require that we must consummate an initial business combination with one or more operating businesses or assets with a fair market value equal to at least 80% of the net assets held in the trust account (net of amounts disbursed to management for working capital purposes, if permitted, and excluding the amount of any deferred underwriting commissions). If our board of directors is not able to independently determine the fair market value of our initial business combination, we will obtain an opinion from an independent investment banking firm or another independent entity that commonly renders valuation opinions with respect to the satisfaction of such criteria. While we consider it unlikely that our board of directors will not be able to make an independent determination of the fair market value of our initial business combination, it may be unable to do so if it is less familiar or experienced with the business of a particular target or if there is a significant amount of uncertainty as to the value of a target’s assets or prospects. Additionally, pursuant to Nasdaq rules, any initial business combination must be approved by a majority of our independent directors. If we are no longer listed on Nasdaq, we would not be required to satisfy the above-referenced fair market value test.

We anticipate structuring our initial business combination so that the post-transaction company in which our public stockholders own shares will own or acquire 100% of the equity interests or assets of the target business or businesses. We may however, structure our initial business combination in such a way so that the post-transaction company owns or acquires less than 100% of such interests or assets of the target business in order to meet certain objectives of the target management team or stockholders, or for other reasons. However, we will only complete an initial business combination if the post-transaction company owns or acquires 50% or more of the outstanding voting securities of the target or otherwise acquires a controlling interest in the target sufficient for it not to be required to register as an investment company under the Investment Company Act. Even if the post-transaction company owns or acquires 50% or more of the voting securities of the target, our stockholders prior to the initial business combination may collectively own a minority interest in the post-transaction company, depending on valuations ascribed to the target and us in the initial business combination. For example, we could pursue a transaction in which we issue a substantial number of new shares in exchange for all of the outstanding capital stock of a target. In this case, we would acquire a 100% controlling interest in the target. However, as a result of the issuance of a substantial number of new shares, our stockholders immediately prior to our initial business combination could own less than a majority of our outstanding shares subsequent to our initial business combination. If less than 100% of the equity interests or assets of a target business or businesses are owned or acquired by the post-transaction company, the portion of such business or businesses that is owned or acquired is what will be taken into account for purposes of Nasdaq’s 80% of net assets test. If the initial business combination involves more than one target business, the 80% of net assets test will be based on the aggregate value of all of the transactions and we will treat the target businesses together as our initial business combination for purposes of seeking stockholder approval or conducting a tender offer, as applicable.

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The net proceeds of our initial public offering and the sale of the private placement warrants released to us from the trust account upon the closing of our initial business combination may be used as consideration to pay the sellers of a target business with which we complete our initial business combination. If our initial business combination is paid for using equity or debt securities, or not all of the funds released from the trust account are used for payment of the consideration in connection with our initial business combination or used for redemption of our public shares, we may use the balance of the cash released to us from the trust account following the closing for general corporate purposes, including for maintenance or expansion of operations of the post-transaction businesses, the payment of principal or interest due on indebtedness incurred in completing our initial business combination, to fund the purchase of other companies or for working capital. In addition, we may be required to obtain additional financing in connection with the closing of our initial business combination to be used following the closing for general corporate purposes as described above. There is no limitation on our ability to raise funds through the issuance of equity or equity-linked securities or through loans, advances or other indebtedness in connection with our initial business combination, including pursuant to forward purchase agreements or backstop agreements into which we may enter. Subject to compliance with applicable securities laws, we would only complete such financing simultaneously with the completion of our initial business combination. At this time, we are not a party to any arrangement or understanding with any third party with respect to raising any additional funds through the sale of securities or otherwise. None of our sponsor, officers, directors or stockholders is required to provide any financing to us in connection with or after our initial business combination. We may also obtain financing prior to the closing of our initial business combination to fund our working capital needs and transaction costs in connection with our search for and completion of our initial business combination. On January 21, 2022, we issued a working capital loan in the principal amount of up to $1,500,000 to our sponsor. Our amended and restated certificate of incorporation provides that, prior to the consummation of our initial business combination, we are prohibited from issuing additional securities that would entitle the holders thereof to (i) receive funds from the trust account or (ii) vote as a class with our public shares (a) on any initial business combination or (b) to approve an amendment to our amended and restated certificate of incorporation to (x) extend the time we have to consummate a business combination beyond July 11, 2022, 18 months from the closing of our initial public offering or (y) amend the foregoing provisions, unless (in connection with any such amendment to our amended and restated certificate of incorporation) we offer our public stockholders the opportunity to redeem their public shares.

**Our Business Combination Process**

In evaluating prospective business combinations, we conduct a due diligence review process that encompasses, among other things, a review of historical and projected financial and operating data, meetings with management and their advisors and, as applicable, on-site inspection of facilities and assets, discussion with customers and suppliers, legal reviews and other reviews as we deem appropriate. We also utilize the expertise of our management team and board of directors in analyzing companies and evaluating operating projections, financial projections and determining the appropriate return expectations given the risk profile of the target business.

Members of our management team directly and indirectly own our common stock and warrants, and, accordingly, may have a conflict of interest in determining whether a particular target business is an appropriate business with which to effectuate our initial business combination. Further, each of our officers and directors may have a conflict of interest with respect to evaluating a particular business combination if the retention or resignation of any such officers and directors was included by a target business as a condition to any agreement with respect to our initial business combination.

Our sponsor and members of our management team are, in the ordinary course of business, continuously made aware of potential acquisition or investment opportunities, one or more of which we may desire to pursue for an initial business combination.

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Each of our officers and directors presently has, and any of them in the future may have additional, fiduciary or contractual obligations to other entities pursuant to which such officer or director is or will be required to present a business combination opportunity. Accordingly, if any of our officers or directors become aware of a business combination opportunity that is suitable for an entity to which he or she has then-current fiduciary or contractual obligations to present the opportunity to such entity, he or she will honor his or her fiduciary or contractual obligations to present such opportunity to such entity. We believe, however, that the fiduciary duties or contractual obligations of our officers or directors will not materially affect our ability to complete our initial business combination, as we believe any such opportunities presented would be smaller than what we are interested in, in different fields than what we would be interested in, or that such fiduciary duties or contractual obligations are to entities that are not themselves in the business of engaging in business combinations. Our amended and restated certificate of incorporation will provide that we renounce our interest in any corporate opportunity offered to any director or officer unless such opportunity is expressly offered to such person solely in his or her capacity as a director or officer of our company and such opportunity is one we are legally and contractually permitted to undertake and would otherwise be reasonable for us to pursue, and to the extent the director or officer is permitted to refer that opportunity to us without violating another legal obligation.

**Our Management Team**

Members of our management team are not obligated to devote any specific number of hours to our matters but they devote as much of their time as they deem necessary to our affairs until we have completed our initial business combination. The amount of time that any member of our management team will devote in any time period will vary based on whether a target business has been selected for our initial business combination and the current stage of the initial business combination process.

We believe our management team’s operating and transaction experience and relationships with companies will provide us with a substantial number of potential business combination targets. Over the course of their careers, the members of our management team have developed a broad network of contacts and corporate relationships. This network has grown through the activities of our management team sourcing, acquiring and financing businesses, our management team’s relationships with sellers, financing sources and target management teams and the experience of our management team in executing transactions under varying economic and financial market conditions.

**Status as a Public Company**

We believe our structure makes us an attractive business combination partner to target businesses. As a public company, we offer a target business an alternative to the traditional initial public offering through a merger or other business combination with us. Following an initial business combination, we believe the target business would have greater access to capital and additional means of creating management incentives that are better aligned with stockholders’ interests than it would as a private company. A target business can further benefit by augmenting its profile among potential new customers and vendors and aid in attracting talented employees. In a business combination transaction with us, the owners of the target business may, for example, exchange their shares of stock in the target business for our shares of Class A common stock (or shares of a new holding company) or for a combination of our shares of Class A common stock and cash, allowing us to tailor the consideration to the specific needs of the sellers.

Although there are various costs and obligations associated with being a public company, we believe target businesses will find this method a more expeditious and cost-effective method to becoming a public company than the typical initial public offering. The typical initial public offering process takes a significantly longer period of time than the typical business combination transaction process, and there are significant expenses and market and other uncertainties in the initial public offering process, including underwriting discounts and commissions, marketing and road show efforts that may not be present to the same extent in connection with an initial business combination with us.

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Furthermore, once a proposed initial business combination is completed, the target business will have effectively become public, whereas an initial public offering is always subject to the underwriters’ ability to complete the offering, as well as general market conditions, which could delay or prevent the offering from occurring or could have negative valuation consequences. Following an initial business combination, we believe the target business would then have greater access to capital and an additional means of providing management incentives consistent with stockholders’ interests and the ability to use its shares as currency for acquisitions. Being a public company can offer further benefits by augmenting a company’s profile among potential new customers and vendors and aid in attracting talented employees.

While we believe that our structure and our management team’s backgrounds will make us an attractive business partner, some potential target businesses may view our status as a blank check company, such as our lack of an operating history and our ability to seek stockholder approval of any proposed initial business combination, negatively.

We are an “emerging growth company,” as defined in Section 2(a) of the Securities Act, as modified by the JOBS Act. As such, we are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding a non-binding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. If some investors find our securities less attractive as a result, there may be a less active trading market for our securities and the prices of our securities may be more volatile.

In addition, Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. In other words, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We intend to take advantage of the benefits of this extended transition period.

We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following January 11, 2026, (b) in which we have total annual gross revenue of at least $1.07 billion or (c) in which we are deemed to be a large accelerated filer, which means the market value of our Class A common stock that is held by non-affiliates exceeds $700 million as of the prior June 30 and (2) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period. References herein to emerging growth company will have the meaning associated with it in the JOBS Act.

**Financial Position**

With funds available for an initial business combination in the amount of $166,943,182 as of December 31, 2021, assuming no redemptions and after payment of up to $6,037,500 of deferred underwriting fees, before estimated offering and working capital expenses, we offer a target business a variety of options such as creating a liquidity event for its owners, providing capital for the potential growth and expansion of its operations or strengthening its balance sheet by reducing its debt or leverage ratio. Because we are able to complete our initial business combination using our cash, debt or equity securities, or a combination of the foregoing, we have the flexibility to use the most efficient combination that will allow us to tailor the consideration to be paid to the target business to fit its needs and desires. On January 21, 2022, we issued a working capital loan in the principal amount of up to $1,500,000 to our sponsor. On January 31, 2022, the Company drew $350,000 on the Working Capital Loan. On April 1, 2022, the Company drew an additional $112,500 on the Working Capital Loan.

**Effecting Our Initial Business Combination**

We are not presently engaged in, and we will not engage in, any operations other than the pursuit of our business combination until we consummate our initial business combination. We intend to effectuate our initial business combination using cash from the proceeds of our initial public offering and the private placement of the private placement warrants, the proceeds of the sale of our shares in connection with our initial business combination (pursuant to forward purchase agreements or backstop agreements into which we may enter), shares issued to the owners of the target, debt issued to bank or other lenders or the owners of the target, or a combination of the foregoing. We may seek to complete our initial business combination with a company or business that may be financially unstable or in its early stages of development or growth, which would subject us to the numerous risks inherent in such companies and businesses.

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If our initial business combination is paid for using equity or debt securities, or not all of the funds released from the trust account are used for payment of the consideration in connection with our initial business combination or used for redemption of our public shares, we may use the balance of the cash released to us from the trust account following the closing for general corporate purposes, including for maintenance or expansion of operations of the post-transaction company, the payment of principal or interest due on indebtedness incurred in completing our initial business combination, to fund the purchase of other companies or for working capital.

We may seek to raise additional funds through a private offering of debt or equity securities in connection with the completion of our initial business combination, and we may effectuate our initial business combination using the proceeds of such offering rather than using the amounts held in the trust account. In addition, we are targeting businesses with enterprise values that are greater than we could acquire with the net proceeds of our initial public offering and the sale of the private placement warrants, and, as a result, if the cash portion of the purchase price exceeds the amount available from the trust account, net of amounts needed to satisfy any redemptions by public stockholders, we may be required to seek additional financing to complete such proposed initial business combination. Subject to compliance with applicable securities laws, we would expect to complete such financing only simultaneously with the completion of our initial business combination. In the case of an initial business combination funded with assets other than the trust account assets, our proxy materials or tender offer documents disclosing the initial business combination would disclose the terms of the financing and, only if required by law, we would seek stockholder approval of such financing. There is no limitation on our ability to raise funds through the issuance of equity or equity-linked securities or through loans, advances or other indebtedness in connection with our initial business combination, including pursuant to forward purchase agreements or backstop agreements into which we may enter. None of our sponsor, officers, directors or stockholders is required to provide any financing to us in connection with or after our initial business combination. Our amended and restated certificate of incorporation provides that, prior to the consummation of our initial business combination, we are prohibited from issuing additional securities that would entitle the holders thereof to (i) receive funds from the trust account or (ii) vote as a class with our public shares (a) on any initial business combination or (b) to approve an amendment to our amended and restated certificate of incorporation to (x) extend the time we have to consummate a business combination beyond July 11, 2022 or (y) amend the foregoing provisions, unless (in connection with any such amendment to our amended and restated certificate of incorporation) we offer our public stockholders the opportunity to redeem their public shares.

**Sources of Target Businesses**

Target business candidates are brought to our attention from various unaffiliated sources, including investment bankers and investment professionals. Target businesses are also brought to our attention by such unaffiliated sources as a result of being solicited by us by calls or mailings. These sources may also introduce us to target businesses in which they think we may be interested on an unsolicited basis, since many of these sources will have read the prospectus of our initial public offering and know what types of businesses we are targeting. Our officers and directors, as well as our sponsor and its affiliates, may also bring to our attention target business candidates that they become aware of through their business contacts as a result of formal or informal inquiries or discussions they may have, as well as attending trade shows, conferences or conventions. In addition, we expect to receive a number of proprietary deal flow opportunities that would not otherwise necessarily be available to us as a result of the business relationships of our officers and directors and our sponsor and their respective industry and business contacts as well as their affiliates. We may engage the services of professional firms or other individuals that specialize in business acquisitions on any formal basis, in which event we may pay a finder’s fee, consulting fee, advisory fee or other compensation to be determined in an arm’s length negotiation based on the terms of the transaction. We will engage a finder only to the extent our management determines that the use of a finder may bring opportunities to us that may not otherwise be available to us or if finders approach us on an unsolicited basis with a potential transaction that our management determines is in our best interest to pursue. Payment of finder’s fees is customarily tied to completion of a transaction, in which case any such fee will be paid out of the funds held in the trust account. In no event, however, will our sponsor or any of our existing officers or directors, or any entity with which our sponsor or officers are affiliated, be paid any finder’s fee, reimbursement, consulting fee, monies in respect of any payment of a loan or other compensation by the Company prior to, or in connection with any services rendered for any services they render in order to effectuate, the completion of our initial business combination (regardless of the type of transaction that it is). Although none of our sponsor, executive officers or directors, or any of their respective affiliates, will be allowed to receive any compensation, finder’s fees or consulting fees from a prospective business combination target in connection with a contemplated initial business combination, we do not have a policy that prohibits our sponsor, executive officers or directors, or any of their respective affiliates, from negotiating for the reimbursement of out-of-pocket expenses by a target business. Some of our officers and directors may enter into employment or consulting agreements with the post-transaction company following our initial business combination. The presence or absence of any such fees or arrangements will not be used as a criterion in our selection process of an initial business combination candidate.

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We are not prohibited from pursuing an initial business combination with an initial business combination target that is affiliated with our sponsor, officers or directors or making the initial business combination through a joint venture or other form of shared ownership with our sponsor, officers or directors. In the event we seek to complete our initial business combination with an initial business combination target that is affiliated with our sponsor, officers or directors, we, or a committee of independent directors, would obtain an opinion from an independent investment banking firm or another independent entity that commonly renders valuation opinions that such an initial business combination is fair to our company from a financial point of view.

If any of our officers or directors becomes aware of an initial business combination opportunity that falls within the line of business of any entity to which he or she has then-existing fiduciary or contractual obligations, he or she may be required to present such business combination opportunity to such entity prior to presenting such business combination opportunity to us. Our officers and directors currently have certain relevant fiduciary duties or contractual obligations that may take priority over their duties to us.

**Selection of a Target Business and Structuring of our Initial Business Combination**

Nasdaq rules require that we must consummate an initial business combination with one or more operating businesses or assets with a fair market value equal to at least 80% of the net assets held in the trust account (net of amounts disbursed to management for working capital purposes, if permitted, and excluding the amount of any deferred underwriting commissions). The fair market value of our initial business combination will be determined by our board of directors based upon one or more standards generally accepted by the financial community, such as discounted cash flow valuation, a valuation based on trading multiples of comparable public businesses or a valuation based on the financial metrics of M&A transactions of comparable businesses. If our board of directors is not able to independently determine the fair market value of our initial business combination (including with the assistance of financial advisors), we will obtain an opinion from an independent investment banking firm or another independent entity that commonly renders valuation opinions with respect to the satisfaction of such criteria. While we consider it unlikely that our board of directors will not be able to make an independent determination of the fair market value of our initial business combination, it may be unable to do so if it is less familiar or experienced with the business of a particular target or if there is a significant amount of uncertainty as to the value of a target’s assets or prospects. We do not intend to purchase multiple businesses in unrelated industries in conjunction with our initial business combination. Subject to this requirement, our management will have virtually unrestricted flexibility in identifying and selecting one or more prospective target businesses, although we will not be permitted to effectuate our initial business combination with another blank check company or a similar company with nominal operations.

In any case, we will only complete an initial business combination in which we own or acquire 50% or more of the outstanding voting securities of the target or otherwise acquire a controlling interest in the target sufficient for it not to be required to register as an investment company under the Investment Company Act. If we own or acquire less than 100% of the equity interests or assets of a target business or businesses, the portion of such business or businesses that are owned or acquired by the post-transaction company is what will be taken into account for purposes of Nasdaq’s 80% of net assets test. There is no basis for our investors to evaluate the possible merits or risks of any target business with which we may complete our initial business combination.

To the extent we effect our initial business combination with a company or business that may be financially unstable or in its early stages of development or growth we may be affected by numerous risks inherent in such company or business. Although our management will endeavor to evaluate the risks inherent in a particular target business, we cannot assure you that we will properly ascertain or assess all significant risk factors.

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In evaluating a prospective business target, we expect to conduct a due diligence review, which may encompass, among other things, meetings with incumbent ownership, management and employees, document reviews, interviews of customers and suppliers, inspection of facilities, as well as a review of financial and other information that will be made available to us.

The time required to select and evaluate a target business and to structure and complete our initial business combination, and the costs associated with this process, are not currently ascertainable with any degree of certainty. Any costs incurred with respect to the identification and evaluation of, and negotiation with, a prospective target business with which our initial business combination is not ultimately completed will result in our incurring losses and will reduce the funds we can use to complete another business combination.

**Lack of Business Diversification**

For an indefinite period of time after the completion of our initial business combination, the prospects for our success may depend entirely on the future performance of a single business. Unlike other entities that have the resources to complete business combinations with multiple entities in one or several industries, it is probable that we will not have the resources to diversify our operations and mitigate the risks of being in a single line of business. By completing our initial business combination with only a single entity, our lack of diversification may:

|  |  |  |
| --- | --- | --- |
|  | ● | subject us to negative economic, competitive and regulatory developments, any or all of which may have a substantial adverse impact on the particular industry in which we operate after our initial business combination, and |

|  |  |  |
| --- | --- | --- |
|  | ● | cause us to depend on the marketing and sale of a single product or limited number of products or services. |

**Limited Ability to Evaluate the Target’s Management Team**

Although we closely scrutinize the management of a prospective target business when evaluating the desirability of effecting our initial business combination with that business, our assessment of the target business’ management may not prove to be correct. In addition, the future management may not have the necessary skills, qualifications or abilities to manage a public company. Furthermore, the future role of members of our management team, if any, in the target business cannot presently be stated with any certainty. The determination as to whether any of the members of our management team will remain with the combined company will be made at the time of our initial business combination. While it is possible that one or more of our directors will remain associated in some capacity with us following our initial business combination, it is unlikely that any of them will devote their full efforts to our affairs subsequent to our initial business combination. Moreover, we cannot assure you that members of our management team will have significant experience or knowledge relating to the operations of the particular target business.

We cannot assure you that any of our key personnel will remain in senior management or advisory positions with the combined company. The determination as to whether any of our key personnel will remain with the combined company will be made at the time of our initial business combination.

Following our initial business combination, we may seek to recruit additional managers to supplement the incumbent management of the target business. We cannot assure you that we will have the ability to recruit additional managers, or that additional managers will have the requisite skills, knowledge or experience necessary to enhance the incumbent management.

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**Stockholders May Not Have the Ability to Approve Our Initial Business Combination**

We may conduct redemptions without a stockholder vote pursuant to the tender offer rules of the SEC. However, we will seek stockholder approval if it is required by law or applicable stock exchange rule, or we may decide to seek stockholder approval for business or other legal reasons. Presented in the table below is a graphic explanation of the types of initial business combinations we may consider and whether stockholder approval is currently required under Delaware law for each such transaction.

|  |  |  |
| --- | --- | --- |
| **Type of Transaction** |  | **Whether Stockholder Approval is Required** |
| Purchase of assets |  | No |
|  |  |  |
| Purchase of stock of target not involving a merger with the company |  | No |
|  |  |  |
| Merger of target into a subsidiary of the company |  | No |
|  |  |  |
| Merger of the company with a target |  | Yes |

Under Nasdaq’s listing rules, stockholder approval would be required for our initial business combination if, for example:

|  |  |  |
| --- | --- | --- |
|  | ● | we issue shares of Class A common stock that will be equal to or in excess of 20% of the number of shares of our Class A common stock then outstanding; |

|  |  |  |
| --- | --- | --- |
|  | ● | any of our directors, officers or substantial security holders (as defined by Nasdaq rules) has a 5% or greater interest, directly or indirectly, in the target business or assets to be acquired and if the number of shares of common stock to be issued, or if the number of shares of common stock into which the securities may be convertible or exercisable, exceeds either (a) 1% of the number of shares of common stock or 1% of the voting power outstanding before the issuance in the case of any of our directors and officers or (b) 5% of the number of shares of common stock or 5% of the voting power outstanding before the issuance in the case of any substantial security holders; or |

|  |  |  |
| --- | --- | --- |
|  | ● | the issuance or potential issuance of common stock will result in our undergoing a change of control. |

**Permitted Purchases of Our Securities**

If we seek stockholder approval of our initial business combination and we do not conduct redemptions in connection with our initial business combination pursuant to the tender offer rules, our sponsor, initial stockholders, directors, officers, advisors or their affiliates may purchase public shares or public warrants in privately-negotiated transactions or in the open market either prior to or following the completion of our initial business combination. There is no limit on the number of shares or warrants our initial stockholders, directors, officers, advisors or their affiliates may purchase in such transactions, subject to compliance with applicable law and Nasdaq rules. However, they have no current commitments, plans or intentions to engage in such transactions and have not formulated any terms or conditions for any such transactions. If they engage in such transactions, they will not make any such purchases when they are in possession of any material non-public information not disclosed to the seller or if such purchases are prohibited by Regulation M under the Exchange Act. We do not currently anticipate that such purchases, if any, would constitute a tender offer subject to the tender offer rules under the Exchange Act or a going-private transaction subject to the going-private rules under the Exchange Act; however, if the purchasers determine at the time of any such purchases that the purchases are subject to such rules, the purchasers will comply with such rules. Any such purchases will be reported pursuant to Section 13 and Section 16 of the Exchange Act to the extent such purchasers are subject to such reporting requirements. None of the funds held in the trust account will be used to purchase shares or public warrants in such transactions prior to completion of our initial business combination.

The purpose of any such purchases of shares could be to vote such shares in favor of the initial business combination and thereby increase the likelihood of obtaining stockholder approval of the initial business combination or to satisfy a closing condition in an agreement with a target that requires us to have a minimum net worth or a certain amount of cash at the closing of our initial business combination, where it appears that such requirement would otherwise not be met. The purpose of any such purchases of public warrants could be to reduce the number of public warrants outstanding or to vote such warrants on any matters submitted to the warrant holders for approval in connection with our initial business combination. Any such purchases of our securities may result in the completion of our initial business combination that may not otherwise have been possible. In addition, if such purchases are made, the public “float” of our shares of Class A common stock or warrants may be reduced and the number of beneficial holders of our securities may be reduced, which may make it difficult to maintain or obtain the quotation, listing or trading of our securities on a national securities exchange.

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Our sponsor, officers, directors and/or any of their affiliates anticipate that they may identify the stockholders with whom our sponsor, officers, directors or their affiliates may pursue privately-negotiated purchases by either the stockholders contacting us directly or by our receipt of redemption requests tendered by stockholders following our mailing of proxy materials in connection with our initial business combination. To the extent that our sponsor, officers, directors, advisors or their affiliates enter into a private purchase, they would identify and contact only potential selling stockholders who have expressed their election to redeem their shares for a *pro rata* share of the trust account or vote against our initial business combination, whether or not such stockholder has already submitted a proxy with respect to our initial business combination. Such persons would select the stockholders from whom to acquire shares based on the number of shares available, the negotiated price per share and such other factors as any such person may deem relevant at the time of purchase. The price per share paid in any such transaction may be different than the amount per share a public stockholder would receive if it elected to redeem its shares in connection with our initial business combination. Our sponsor, officers, directors, advisors or their affiliates will only purchase shares if such purchases comply with Regulation M under the Exchange Act and the other federal securities laws.

Any purchases by our sponsor, officers, directors and/or their affiliates who are affiliated purchasers under Rule 10b-18 under the Exchange Act will be made only to the extent such purchases are able to be made in compliance with Rule 10b-18, which is a safe harbor from liability for manipulation under Section 9(a)(2) and Rule 10b-5 of the Exchange Act. Rule 10b-18 has certain technical requirements that must be complied with in order for the safe harbor to be available to the purchaser. Our sponsor, officers, directors and/or their affiliates will not make purchases of common stock if the purchases would violate Section 9(a)(2) or Rule 10b-5 of the Exchange Act. Any such purchases will be reported pursuant to Section 13 and Section 16 of the Exchange Act to the extent such purchases are subject to such reporting requirements.

**Redemption Rights for Public Stockholders upon Completion of our Initial Business Combination**

We will provide our public stockholders with the opportunity to redeem all or a portion of their shares of Class A common stock upon the completion of our initial business combination at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the trust account as of two business days prior to the consummation of the initial business combination including interest earned on the funds held in the trust account and not previously released to us to pay our taxes, divided by the number of then outstanding public shares, subject to the limitations described herein. As of December 31, 2021, no interest had been drawn to pay tax obligations. The amount in the trust account, as of December 31, 2021, was $10.00 per public share. The per-share amount we will distribute to investors who properly redeem their shares will not be reduced by deferred underwriting commissions we will pay to the underwriters. Our sponsor, officers and directors have entered into a letter agreement with us, pursuant to which they have agreed to waive their redemption rights with respect to any founder shares and any public shares held by them in connection with the completion of our initial business combination.

**Manner of Conducting Redemptions**

We will provide our public stockholders with the opportunity to redeem all or a portion of their public shares upon the completion of our initial business combination either (i) in connection with a stockholder meeting called to approve the initial business combination or (ii) without a stockholder vote by means of a tender offer. The decision as to whether we will seek stockholder approval of a proposed initial business combination or conduct a tender offer will be made by us, solely in our discretion, and will be based on a variety of factors such as the timing of the transaction and whether the terms of the transaction would require us to seek stockholder approval under applicable law or stock exchange listing requirements.

Asset acquisitions and stock purchases would not typically require stockholder approval while direct mergers with our company where we do not survive and any transactions where we issue more than 20% of our outstanding common stock or seek to amend our amended and restated certificate of incorporation would require stockholder approval. So long as we obtain and maintain a listing for our securities on Nasdaq, we will be required to comply with Nasdaq’s stockholder approval rules.

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The requirement that we provide our public stockholders with the opportunity to redeem their public shares by one of the two methods listed above are contained in provisions of our amended and restated certificate of incorporation and apply whether or not we maintain our registration under the Exchange Act or our listing on Nasdaq. Such provisions may be amended if approved by holders of 65% of our common stock entitled to vote thereon.

If we provide our public stockholders with the opportunity to redeem their public shares in connection with a stockholder meeting, we will:

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|  | ● | conduct the redemptions in conjunction with a proxy solicitation pursuant to Regulation 14A of the Exchange Act, which regulates the solicitation of proxies, and not pursuant to the tender offer rules, and |

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| --- | --- | --- |
|  | ● | file proxy materials with the SEC. |

If we seek stockholder approval, we will complete our initial business combination only if a majority of the outstanding shares of common stock voted are voted in favor of the initial business combination. A quorum for such meeting will consist of the holders present in person or by proxy of shares of outstanding capital stock of the Company representing a majority of the voting power of all outstanding shares of capital stock of the Company entitled to vote at such meeting. Our initial stockholders will count towards this quorum and, pursuant to the letter agreement, our sponsor, officers and directors have agreed to vote their founder shares and any public shares purchased during or after our initial public offering (including in open market and privately-negotiated transactions) in favor of our initial business combination. For purposes of seeking approval of the majority of our outstanding shares of common stock voted, non-votes will have no effect on the approval of our initial business combination once a quorum is obtained. As a result, in addition to our initial stockholders’ founder shares, we would need only 6,468,751, or 37.5%, of the 17,250,000 public shares sold in our initial public offering to be voted in favor of an initial business combination in order to have our initial business combination approved (assuming all outstanding shares are voted). We intend to give not less than 10 days’ nor more than 60 days’ prior written notice of any such meeting, if required, at which a vote shall be taken to approve our initial business combination. These quorum and voting thresholds, and the voting agreements of our initial stockholders, may make it more likely that we will consummate our initial business combination. Each public stockholder may elect to redeem its public shares irrespective of whether they vote for or against the proposed transaction or whether they were a stockholder on the record date for the stockholder meeting held to approve the proposed transaction.

If a stockholder vote is not required and we do not decide to hold a stockholder vote for business or other legal reasons, we will:

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|  | ● | conduct the redemptions pursuant to Rule 13e-4 and Regulation 14E of the Exchange Act, which regulate issuer tender offers, and |

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|  | ● | file tender offer documents with the SEC prior to completing our initial business combination, which contain substantially the same financial and other information about the initial business combination and the redemption rights as is required under Regulation 14A of the Exchange Act, which regulates the solicitation of proxies. |

In the event we conduct redemptions pursuant to the tender offer rules, our offer to redeem will remain open for at least 20 business days, in accordance with Rule 14e-1(a) under the Exchange Act, and we will not be permitted to complete our initial business combination until the expiration of the tender offer period. In addition, the tender offer will be conditioned on public stockholders not tendering more than a specified number of public shares, which number will be based on the requirement that we will only redeem our public shares so long as (after such redemption) our net tangible assets will be at least $5,000,001 either immediately prior to or upon consummation of our initial business combination and after payment of deferred underwriter’s fees and commissions (so that we are not subject to the SEC’s “penny stock” rules) or any greater net tangible asset or cash requirement that may be contained in the agreement relating to our initial business combination. If public stockholders tender more shares than we have offered to purchase, we will withdraw the tender offer and not complete the initial business combination.

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Upon the public announcement of our initial business combination, if we elect to conduct redemptions pursuant to the tender offer rules, we or our sponsor will terminate any plan established in accordance with Rule 10b5-1 to purchase shares of our Class A common stock in the open market, in order to comply with Rule 14e-5 under the Exchange Act.

We intend to require our public stockholders seeking to exercise their redemption rights, whether they are record holders or hold their shares in “street name,” to, at the holder’s option, either deliver their stock certificates to our transfer agent or deliver their shares to our transfer agent electronically using the DWAC system, prior to the date set forth in the proxy materials or tender offer documents, as applicable. In the case of proxy materials, this date may be up to two business days prior to the vote on the proposal to approve the initial business combination. In addition, if we conduct redemptions in connection with a stockholder vote, we intend to require a public stockholder seeking redemption of its public shares to also submit a written request for redemption to our transfer agent two business days prior to the vote in which the name of the beneficial owner of such shares is included. The proxy materials or tender offer documents, as applicable, that we will furnish to holders of our public shares in connection with our initial business combination will indicate whether we are requiring public stockholders to satisfy such delivery requirements. We believe that this will allow our transfer agent to efficiently process any redemptions without the need for further communication or action from the redeeming public stockholders, which could delay redemptions and result in additional administrative cost. If the proposed initial business combination is not approved and we continue to search for a target company, we will promptly return any certificates or shares delivered by public stockholders who elected to redeem their shares.

Our amended and restated certificate of incorporation provides that we will only redeem our public shares so long as (after such redemption) our net tangible assets will be at least $5,000,001 either immediately prior to or upon consummation of our initial business combination and after payment of deferred underwriter’s fees and commissions (so that we are not subject to the SEC’s “penny stock” rules) or any greater net tangible asset or cash requirement which may be contained in the agreement relating to our initial business combination. For example, the proposed initial business combination may require: (i) cash consideration to be paid to the target or its owners, (ii) cash to be transferred to the target for working capital or other general corporate purposes or (iii) the retention of cash to satisfy other conditions in accordance with the terms of the proposed initial business combination. In the event the aggregate cash consideration we would be required to pay for all shares of Class A common stock that are validly submitted for redemption plus any amount required to satisfy cash conditions pursuant to the terms of the proposed initial business combination exceed the aggregate amount of cash available to us, we will not complete the initial business combination or redeem any shares, and all shares of Class A common stock submitted for redemption will be returned to the holders thereof.

**Limitation on Redemption upon Completion of our Initial Business Combination if we Seek Stockholder Approval**

Notwithstanding the foregoing, if we seek stockholder approval of our initial business combination and we do not conduct redemptions in connection with our initial business combination pursuant to the tender offer rules, our amended and restated certificate of incorporation provides that a public stockholder, together with any affiliate of such stockholder or any other person with whom such stockholder is acting in concert or as a “group” (as defined under Section 13 of the Exchange Act), will be restricted from seeking redemption rights with respect to more than an aggregate of 15% of the shares sold in our initial public offering, which we refer to as the “Excess Shares.” Such restriction shall also be applicable to our affiliates. We believe this restriction will discourage stockholders from accumulating large blocks of shares, and subsequent attempts by such holders to use their ability to exercise their redemption rights against a proposed initial business combination as a means to force us or our management to purchase their shares at a significant premium to the then-current market price or on other undesirable terms. Absent this provision, a public stockholder holding more than an aggregate of 15% of the shares sold in our initial public offering could threaten to exercise its redemption rights if such holder’s shares are not purchased by us or our management at a premium to the then-current market price or on other undesirable terms. By limiting our stockholders’ ability to redeem no more than 15% of the shares sold in our initial public offering without our prior consent, we believe we will limit the ability of a small group of stockholders to unreasonably attempt to block our ability to complete our initial business combination, particularly in connection with an initial business combination with a target that requires as a closing condition that we have a minimum net worth or a certain amount of cash. However, we would not be restricting our stockholders’ ability to vote all of their shares (including Excess Shares) for or against our initial business combination.

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**Delivering Stock Certificates in Connection with the Exercise of Redemption Rights**

As described above, we intend to require our public stockholders seeking to exercise their redemption rights, whether they are record holders or hold their shares in “street name,” to, at the holder’s option, either deliver their stock certificates to our transfer agent or deliver their shares to our transfer agent electronically using the DWAC system, prior to the date set forth in the proxy materials or tender offer documents, as applicable. In the case of proxy materials, this date may be up to two business days prior to the vote on the proposal to approve the initial business combination. In addition, if we conduct redemptions in connection with a stockholder vote, we intend to require a public stockholder seeking redemption of its public shares to also submit a written request for redemption to our transfer agent two business days prior to the vote in which the name of the beneficial owner of such shares is included. The proxy materials or tender offer documents, as applicable, that we will furnish to holders of our public shares in connection with our initial business combination will indicate whether we are requiring public stockholders to satisfy such delivery requirements. Accordingly, a public stockholder would have up to two business days prior to the vote on the initial business combination if we distribute proxy materials, or from the time we send out our tender offer materials until the close of the tender offer period, as applicable, to submit or tender its shares if it wishes to seek to exercise its redemption rights. In the event that a stockholder fails to comply with these or any other procedures disclosed in the proxy or tender offer materials, as applicable, its shares may not be redeemed. Given the relatively short exercise period, it is advisable for stockholders to use electronic delivery of their public shares.

There is a nominal cost associated with the above-referenced process and the act of certificating the shares or delivering them through the DWAC System. The transfer agent will typically charge the broker submitting or tendering shares a fee of approximately $80.00 and it would be up to the broker whether or not to pass this cost on to the redeeming holder. However, this fee would be incurred regardless of whether or not we require holders seeking to exercise redemption rights to submit or tender their shares. The need to deliver shares is a requirement of exercising redemption rights regardless of the timing of when such delivery must be effectuated.

Any request to redeem such shares, once made, may be withdrawn at any time up to the date set forth in the proxy materials or tender offer documents, as applicable. Furthermore, if a holder of a public share delivered its certificate in connection with an election of redemption rights and subsequently decides prior to the applicable date not to elect to exercise such rights, such holder may simply request that the transfer agent return the certificate (physically or electronically). It is anticipated that the funds to be distributed to holders of our public shares electing to redeem their shares will be distributed promptly after the completion of our initial business combination.

If our initial business combination is not approved or completed for any reason, then our public stockholders who elected to exercise their redemption rights would not be entitled to redeem their shares for the applicable *pro rata* share of the trust account. In such case, we will promptly return any certificates delivered by public holders who elected to redeem their shares.

If our initial business combination is not completed, we may continue to try to complete an initial business combination with a different target by July 11, 2022.

**Redemption of Public Shares and Liquidation if no Initial Business Combination**

Our amended and restated certificate of incorporation provides that we will have only until July 11, 2022 to complete our initial business combination. If we are unable to complete our initial business combination by July 11, 2022, we will: (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than 10 business days thereafter, redeem the public shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the trust account including interest earned on the funds held in the trust account and not previously released to us to pay our taxes (less up to $100,000 of interest to pay dissolution expenses), divided by the number of then outstanding public shares, which redemption will completely extinguish public stockholders’ rights as stockholders (including the right to receive further liquidating distributions, if any), and (iii) as promptly as reasonably possible following such redemption, subject to the approval of our remaining stockholders and our board of directors, liquidate and dissolve, subject in each case to our obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law. There will be no redemption rights or liquidating distributions with respect to our warrants, which will expire worthless if we fail to complete our initial business combination by July 11, 2022.

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Our sponsor, officers and directors have entered into a letter agreement with us, pursuant to which they have waived their rights to liquidating distributions from the trust account with respect to any founder shares held by them if we fail to complete our initial business combination by July 11, 2022. However, if our sponsor, officers or directors acquire public shares, they will be entitled to liquidating distributions from the trust account with respect to such public shares if we fail to complete our initial business combination by July 11, 2022.

Our sponsor, officers and directors have agreed, pursuant to a written agreement with us, that they will not propose any amendment to our amended and restated certificate of incorporation to (A) modify the substance or timing of our obligation to provide for the redemption of our public shares in connection with an initial business combination or to redeem 100% of our public shares if we do not complete our initial business combination by July 11, 2022 or (B) with respect to any other provisions relating to stockholders’ rights or pre-initial business combination activity, unless we provide our public stockholders with the opportunity to redeem their shares of Class A common stock upon approval of any such amendment at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the trust account including interest earned on the funds held in the trust account and not previously released to us to pay our taxes, divided by the number of then outstanding public shares. However, we will only redeem our public shares so long as (after such redemption) our net tangible assets will be at least $5,000,001 either immediately prior to or upon consummation of our initial business combination and after payment of deferred underwriter’s fees and commissions (so that we are not subject to the SEC’s “penny stock” rules). If this optional redemption right is exercised with respect to an excessive number of public shares such that we cannot satisfy the net tangible asset requirement (described above), we would not proceed with the amendment or the related redemption of our public shares at such time.

We expect to use the amounts held outside the trust account ($400,073 as of December 31, 2021) to pay for all costs and expenses associated with implementing our plan of dissolution, as well as payments to any creditors, if we do not complete an initial business combination prior to July 11, 2022 although we cannot assure you that there will be sufficient funds for such purpose. We will depend on sufficient interest being earned on the proceeds held in the trust account to pay any tax obligations we may owe. However, if those funds are not sufficient to cover the costs and expenses associated with implementing our plan of dissolution, to the extent that there is any interest accrued in the trust account not required to pay taxes on interest income earned on the trust account balance, we may request the trustee to release to us an additional amount of up to $100,000 of such accrued interest to pay those costs and expenses.

If we were to expend all of the net proceeds of our initial public offering and the sale of the private placement warrants, other than the proceeds deposited in the trust account, and without taking into account interest, if any, earned on the trust account, the per-share redemption amount received by stockholders upon our dissolution would be approximately $10.00. The proceeds deposited in the trust account could, however, become subject to the claims of our creditors which would have higher priority than the claims of our public stockholders. We cannot assure you that the actual per-share redemption amount received by stockholders will not be substantially less than $10.00. Under Section 281(b) of the DGCL, our plan of dissolution must provide for all claims against us to be paid in full or make provision for payments to be made in full, as applicable, if there are sufficient assets. These claims must be paid or provided for before we make any distribution of our remaining assets to our stockholders. While we intend to pay such amounts, if any, we cannot assure you that we will have funds sufficient to pay or provide for all creditors’ claims.

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Although we seek to have all vendors, service providers, prospective target businesses and other entities with which we do business execute agreements with us waiving any right, title, interest or claim of any kind in or to any monies held in the trust account for the benefit of our public stockholders, such parties may not execute such agreements or even if they execute such agreements, they may not be prevented from bringing claims against the trust account, including, but not limited to, fraudulent inducement, breach of fiduciary responsibility or other similar claims, as well as claims challenging the enforceability of the waiver, in each case in order to gain advantage with respect to a claim against our assets, including the funds held in the trust account. If any third party refuses to enter into an agreement waiving such claims to the monies held in the trust account, our management will consider whether competitive alternatives are reasonably available to the Company, and will only enter into an agreement with such third party if our management believes that such third party’s engagement would be in the best interests of the Company under the circumstances. Examples of possible instances where we may engage a third party that refuses to execute a waiver include the engagement of a third-party consultant whose particular expertise or skills are believed by management to be significantly superior to those of other consultants that would agree to execute a waiver or in cases where management is unable to find a service provider willing to execute a waiver. Marcum and the underwriters of our initial public offering will not execute agreements with us waiving such claims to the monies held in the trust account.

In addition, there is no guarantee that such entities will agree to waive any claims they may have in the future as a result of, or arising out of, any negotiations, contracts or agreements with us and will not seek recourse against the trust account for any reason. Upon redemption of our public shares, if we are unable to complete our initial business combination within the prescribed timeframe, or upon the exercise of a redemption right in connection with our initial business combination, we will be required to provide for payment of claims of creditors that were not waived that may be brought against us within the 10 years following redemption. Accordingly, the per-share redemption amount received by public stockholders could be less than the $10.00 per share held in the trust account as of December 31, 2021, due to claims of such creditors. Pursuant to the letter agreement, our sponsor agreed that it will be liable to us if and to the extent any claims by a third party for services rendered or products sold to us, or a prospective target business with which we have entered into a written letter of intent, confidentiality or similar agreement or business combination agreement, reduce the amount of funds in the trust account to below the lesser of (i) $10.00 per public share and (ii) the actual amount per public share held in the trust account as of the date of the liquidation of the trust account, if less than $10.00 per share due to reductions in the value of the trust assets, less taxes payable; provided that such liability will not apply to any claims by a third party or prospective target business who executed a waiver of any and all rights to the monies held in the trust account (whether or not such waiver is enforceable) nor will it apply to any claims under our indemnity of the underwriters of our initial public offering against certain liabilities, including liabilities under the Securities Act. However, we have not asked our sponsor to reserve for such indemnification obligations, nor have we independently verified whether our sponsor has sufficient funds to satisfy their indemnity obligations, and believe that our sponsor’s only assets are securities of our company. Therefore, we cannot assure you that our sponsor would be able to satisfy those obligations. As a result, if any such claims were successfully made against the trust account, the funds available for our initial business combination and redemptions could be reduced to less than $10.00 per public share. In such event, we may not be able to complete our initial business combination, and you would receive such lesser amount per share in connection with any redemption of your public shares. None of our officers or directors will indemnify us for claims by third parties, including, without limitation, claims by vendors and prospective target businesses.

In the event that the proceeds in the trust account are reduced below (i) $10.00 per public share or (ii) such lesser amount per public share held in the trust account as of the date of the liquidation of the trust account, due to reductions in value of the trust assets, in each case net of the amount of interest which may be withdrawn to pay taxes, and our sponsor asserts that it is unable to satisfy its indemnification obligations or that it has no indemnification obligations related to a particular claim, our independent directors would determine whether to take legal action against our sponsor to enforce its indemnification obligations. While we currently expect that our independent directors would take legal action on our behalf against our sponsor to enforce its indemnification obligations to us, it is possible that our independent directors in exercising their business judgment may choose not to do so if, for example, the cost of such legal action is deemed by the independent directors to be too high relative to the amount recoverable or if the independent directors determine that a favorable outcome is not likely. We have not asked our sponsor to reserve for such indemnification obligations and we cannot assure you that our sponsor would be able to satisfy those obligations, and believe that our sponsor’s only assets are securities of our company. Accordingly, we cannot assure you that due to claims of creditors the actual value of the per-share redemption price will not be less than $10.00 per public share.

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We seek to reduce the possibility that our sponsor will have to indemnify the trust account due to claims of creditors by endeavoring to have all vendors, service providers, prospective target businesses or other entities with which we do business execute agreements with us waiving any right, title, interest or claim of any kind in or to monies held in the trust account. Our sponsor will also not be liable as to any claims under our indemnity of the underwriters of our initial public offering against certain liabilities, including liabilities under the Securities Act. We may have access to use the amounts held outside the trust account ($400,073as of December 31, 2021, net of accrued offering costs) to pay any such potential claims (including costs and expenses incurred in connection with our liquidation, currently estimated to be no more than approximately $100,000) but these amounts may be spent on expenses incurred as a result of being a public company or due diligence expenses on prospective business combination candidates. In the event that we liquidate and it is subsequently determined that the reserve for claims and liabilities is insufficient, stockholders who received funds from our trust account could be liable for claims made by creditors

Under the DGCL, stockholders may be held liable for claims by third parties against a corporation to the extent of distributions received by them in a dissolution. The *pro rata* portion of our trust account distributed to our public stockholders upon the redemption of our public shares in the event we do not complete our initial business combination by July 11, 2022 may be considered a liquidating distribution under Delaware law. If the corporation complies with certain procedures set forth in Section 280 of the DGCL intended to ensure that it makes reasonable provision for all claims against it, including a 60-day notice period during which any third-party claims can be brought against the corporation, a 90-day period during which the corporation may reject any claims brought, and an additional 150-day waiting period before any liquidating distributions are made to stockholders, any liability of stockholders with respect to a liquidating distribution is limited to the lesser of such stockholder’s *pro rata* share of the claim or the amount distributed to the stockholder, and any liability of the stockholder would be barred after the third anniversary of the dissolution.

Furthermore, if the *pro rata* portion of our trust account distributed to our public stockholders upon the redemption of our public shares in the event we do not complete our initial business combination by July 11, 2022, is not considered a liquidating distribution under Delaware law and such redemption distribution is deemed to be unlawful (potentially due to the imposition of legal proceedings that a party may bring or due to other circumstances that are currently unknown), then pursuant to Section 174 of the DGCL, the statute of limitations for claims of creditors could then be six years after the unlawful redemption distribution, instead of three years, as in the case of a liquidating distribution. If we are unable to complete our initial business combination by July 11, 2022, we will: (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than 10 business days thereafter, redeem the public shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the trust account, including interest earned on the funds held in the trust account and not previously released to us to pay our taxes (less up to $100,000 of interest to pay dissolution expenses), divided by the number of then outstanding public shares, which redemption will completely extinguish public stockholders’ rights as stockholders (including the right to receive further liquidating distributions, if any), and (iii) as promptly as reasonably possible following such redemption, subject to the approval of our remaining stockholders and our board of directors, liquidate and dissolve, subject in each case to our obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law. Accordingly, it is our intention to redeem our public shares as soon as reasonably possible following our 18th month and, therefore, we do not intend to comply with those procedures. As such, our stockholders could potentially be liable for any claims to the extent of distributions received by them (but no more) and any liability of our stockholders may extend well beyond the third anniversary of such date.

Because we will not be complying with Section 280, Section 281(b) of the DGCL requires us to adopt a plan, based on facts known to us at such time that will provide for our payment of all existing and pending claims or claims that may be potentially brought against us within the subsequent 10 years. However, because we are a blank check company, rather than an operating company, and our operations will be limited to searching for prospective target businesses to acquire, the only likely claims to arise would be from our vendors (such as lawyers, investment bankers, etc.) or prospective target businesses. As described above, pursuant to the obligation contained in our underwriting agreement, we seek to have all vendors, service providers, prospective target businesses or other entities with which we do business execute agreements with us waiving any right, title, interest or claim of any kind in or to any monies held in the trust account. As a result of this obligation, the claims that could be made against us are significantly limited and the likelihood that any claim that would result in any liability extending to the trust account is remote. Further, our sponsor may be liable only to the extent necessary to ensure that the amounts in the trust account are not reduced below (i) $10.00 per public share or (ii) such lesser amount per public share held in the trust account as of the date of the liquidation of the trust account, due to reductions in value of the trust assets, in each case net of the amount of interest released to us to pay taxes and will not be liable as to any claims under our indemnity of the underwriters of our initial public offering against certain liabilities, including liabilities under the Securities Act. In the event that an executed waiver is deemed to be unenforceable against a third party, our sponsor will not be responsible to the extent of any liability for such third-party claims.

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If we file a bankruptcy petition or an involuntary bankruptcy petition is filed against us that is not dismissed, the proceeds held in the trust account could be subject to applicable bankruptcy law, and may be included in our bankruptcy estate and subject to the claims of third parties with priority over the claims of our stockholders. To the extent any bankruptcy claims deplete the trust account, we cannot assure you we will be able to return $10.00 per share to our public stockholders. Additionally, if we file a bankruptcy petition or an involuntary bankruptcy petition is filed against us that is not dismissed, any distributions received by stockholders could be viewed under applicable debtor/creditor and/or bankruptcy laws as either a “preferential transfer” or a “fraudulent conveyance.” As a result, a bankruptcy court could seek to recover some or all amounts received by our stockholders. Furthermore, our board of directors may be viewed as having breached its fiduciary duty to our creditors and/or may have acted in bad faith, thereby exposing itself and our company to claims of punitive damages, by paying public stockholders from the trust account prior to addressing the claims of creditors. We cannot assure you that claims will not be brought against us for these reasons.

Our public stockholders will be entitled to receive funds from the trust account only upon the earlier to occur of: (i) the completion of our initial business combination, (ii) the redemption of any public shares properly submitted in connection with a stockholder vote to amend any provisions of our amended and restated certificate of incorporation to (A) modify the substance or timing of our obligation to provide for the redemption of our public shares in connection with an initial business combination or to redeem 100% of our public shares if we do not complete our initial business combination prior to July 11, 2022 or (B) with respect to any other provisions relating to stockholders’ rights or pre-initial business combination activity, and (iii) the redemption of all of our public shares if we are unable to complete our business combination prior to July 11, 2022, subject to applicable law. In no other circumstances will a stockholder have any right or interest of any kind to or in the trust account. In the event we seek stockholder approval in connection with our initial business combination, a stockholder’s voting in connection with the initial business combination alone will not result in a stockholder’s redeeming its shares to us for an applicable *pro rata* share of the trust account. Such stockholder must have also exercised its redemption rights as described above. These provisions of our amended and restated certificate of incorporation, like all provisions of our amended and restated certificate of incorporation, may be amended with a stockholder vote.

**Competition**

In identifying, evaluating and selecting a target business for our initial business combination, we may encounter competition from other entities having a business objective similar to ours, including other blank check companies, private equity groups and leveraged buyout funds, public companies and operating businesses seeking strategic business combinations. Many of these entities are well established and have extensive experience identifying and effecting business combinations directly or through affiliates. Moreover, many of these competitors possess greater financial, technical, human and other resources than we do. Our ability to acquire larger target businesses will be limited by our available financial resources. This inherent limitation gives others an advantage in pursuing the initial business combination of a target business. Furthermore, our obligation to pay cash in connection with our public stockholders who exercise their redemption rights may reduce the resources available to us for our initial business combination and our outstanding warrants, and the future dilution they potentially represent, may not be viewed favorably by certain target businesses. Either of these factors may place us at a competitive disadvantage in successfully negotiating an initial business combination.

**Indemnity**

Our sponsor has agreed that it will be liable to us if and to the extent any claims by a third party for services rendered or products sold to us, or a prospective target business with which we have entered into a written letter of intent, confidentiality or similar agreement or business combination agreement, reduce the amount of funds in the trust account to below the lesser of (i) $10.00 per public share and (ii) the actual amount per public share held in the trust account as of the date of the liquidation of the trust account, if less than $10.00 per share due to reductions in the value of the trust assets, less taxes payable; provided that such liability will not apply to any claims by a third party or prospective target business who executed a waiver of any and all rights to the monies held in the trust account (whether or not such waiver is enforceable), nor will it apply to any claims under our indemnity of the underwriters of our initial public offering against certain liabilities, including liabilities under the Securities Act. However, we have not asked our sponsor to reserve for such indemnification obligations, nor have we independently verified whether our sponsor has sufficient funds to satisfy its indemnity obligations, and believe that our sponsor’s only assets are securities of our company. Therefore, we cannot assure you that our sponsor would be able to satisfy those obligations. None of our officers or directors will indemnify us for claims by third parties, including, without limitation, claims by vendors and prospective target businesses.

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**Employees**

We have four officers. These individuals are not obligated to devote any specific number of hours to our matters but they devote as much of their time as they deem necessary to our affairs until we have completed our initial business combination. The amount of time they devote in any time period varies based on the stage of the initial business combination process we are in.

**Periodic Reporting and Financial Information**

We have registered our units, Class A common stock and warrants under the Exchange Act and have reporting obligations, including the requirement that we file annual, quarterly and current reports with the SEC. In accordance with the requirements of the Exchange Act, our annual reports contain financial statements audited and reported on by our independent registered public accountants.

We will provide stockholders with audited financial statements of the prospective target business as part of the proxy solicitation materials or tender offer documents sent to stockholders to assist them in assessing the target business. In all likelihood, these financial statements will need to be prepared in accordance with, or reconciled to, GAAP or IFRS, depending on the circumstances, and the historical financial statements may be required to be audited in accordance with the standards of the PCAOB. These financial statement requirements may limit the pool of potential targets we may conduct an initial business combination with because some targets may be unable to provide such statements in time for us to disclose such statements in accordance with federal proxy rules and complete our initial business combination within the prescribed time frame. We cannot assure you that any particular target business identified by us as a potential business combination candidate will have financial statements prepared in accordance with GAAP or that the potential target business will be able to prepare its financial statements in accordance with the requirements outlined above. To the extent that these requirements cannot be met, we may not be able to acquire the proposed target business. While this may limit the pool of potential business combination candidates, we do not believe that this limitation will be material.

We are required to evaluate our internal control procedures for the fiscal year ended December 31, 2021 as required by the Sarbanes-Oxley Act. Only in the event we are deemed to be a large accelerated filer or an accelerated filer, and no longer qualify as an emerging growth company, will we be required to have our internal control procedures audited by our independent registered public accounting firm. A target company may not be in compliance with the provisions of the Sarbanes-Oxley Act regarding adequacy of their internal controls. The development of the internal controls of any such entity to achieve compliance with the Sarbanes-Oxley Act may increase the time and costs necessary to complete any such business combination. We have filed a Registration Statement on Form 8-A with the SEC to voluntarily register our securities under Section 12 of the Exchange Act. As a result, we are subject to the rules and regulations promulgated under the Exchange Act. We have no current intention of filing a Form 15 to suspend our reporting or other obligations under the Exchange Act prior or subsequent to the consummation of our initial business combination.

We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) ending after January 11, 2026, (b) in which we have total annual gross revenue of at least $1.07 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of our shares of Class A common stock that are held by non-affiliates exceeds $700 million as of the prior June 30, and (2) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period.

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| **Item 1A.** | **Risk Factors.** |

As a smaller reporting company, we are not required to include risk factors in this Report. However, below is a partial list of material risks, uncertainties and other factors that could have a material effect on the Company and its operations:

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|  | ● | we are a blank check Company with no revenue or basis to evaluate our ability to select a suitable business target; |

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|  | ● | we may not be able to select an appropriate target business or businesses and complete our initial business combination in the prescribed time frame; |

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|  | ● | our expectations around the performance of a prospective target business or businesses may not be realized; |

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|  | ● | if the funds held outside of our trust account are insufficient to allow us to operate until at least July 11, 2022, our ability to fund our search for a target business or businesses or complete an initial business combination may be adversely affected |

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|  | ● | we may not be successful in retaining or recruiting required officers, key employees or directors following our initial business combination; |

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|  | ● | our officers and directors may have difficulties allocating their time between the Company and other businesses and may potentially have conflicts of interest with our business or in approving our initial business combination; |

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|  | ● | we may not be able to obtain additional financing to complete our initial business combination or reduce the number of shareholders requesting redemption; |

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|  | ● | we may issue our shares to investors in connection with our initial business combination at a price that is less than the prevailing market price of our shares at that time; |

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|  | ● | you may not be given the opportunity to choose the initial business target or to vote on the initial business combination; |

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|  | ● | trust account funds may not be protected against third party claims or bankruptcy; |

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|  | ● | the availability to us of funds from interest income on the trust account balance may be insufficient to operate our business prior to the business combination; |

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|  | ● | our financial performance following a business combination with an entity may be negatively affected by their lack an established record of revenue, cash flows and experienced management; and |

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|  | ● | risks and uncertainties related to the software and technology industries. |

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|  | ● | there may be more competition to find an attractive target for an initial business combination, which could increase the costs associated with completing our initial business combination and may result in our inability to find a suitable target; |
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|  | ● | changes in the market for directors and officers liability insurance could make it more difficult and more expensive for us to negotiate and complete an initial business combination; |
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|  | ● | we may attempt to simultaneously complete business combinations with multiple prospective targets, which may hinder our ability to complete our initial business combination and give rise to increased costs and risks that could negatively impact our operations and profitability; |

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|  | ● | we may engage one or more of our underwriters or one of their respective affiliates to provide additional services to us after the initial public offering, which may include acting as a financial advisor in connection with an initial business combination or as placement agent in connection with a related financing transaction. Our underwriters are entitled to receive deferred underwriting commissions that will be released from the trust account only upon a completion of an initial business combination. These financial incentives may cause them to have potential conflicts of interest in rendering any such additional services to us after the initial public offering, including, for example, in connection with the sourcing and consummation of an initial business combination; |

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|  | ● | we may attempt to complete our initial business combination with a private company about which little information is available, which may result in a business combination with a company that is not as profitable as we suspected, if at all; |
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|  | ● | our warrants are accounted for as derivative liabilities and are recorded at fair value upon issuance with changes in fair value each period reported in earnings, which may have an adverse effect on the market price of our common stock or may make it more difficult for us to consummate an initial business combination; |
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|  | ● | since our initial stockholders will lose their entire investment in us if our initial business combination is not completed (other than with respect to any public shares they may acquire during or after our initial public offering), and because our sponsor, officers and directors may profit substantially even under circumstances in which our public stockholders would experience losses in connection with their investment, a conflict of interest may arise in determining whether a particular business combination target is appropriate for our initial business combination; |
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|  | ● | changes in laws or regulations or how such laws or regulations are interpreted or applied, or a failure to comply with any laws or regulations, may adversely affect our business, including our ability to negotiate and complete our initial business combination, and results of operations; |
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|  | ● | our ability to identify a target and to consummate an initial business combination may be adversely affected by economic uncertainty and volatility in the financial markets, including as a result of the military conflict in Ukraine; |
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|  | ● | the value of the founder shares following completion of our initial business combination is likely to be substantially higher than the nominal price paid for them, even if the trading price of our common stock at such time is substantially less than $10.00 per share; |

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|  | ● | resources could be wasted in researching acquisitions that are not completed, which could materially adversely affect subsequent attempts to locate and acquire or merge with another business. If we have not completed our initial business combination within the required time period, our public stockholders may receive only approximately $10.00 per share, or less than such amount in certain circumstances, on the liquidation of our trust account and our warrants will expire worthless; |

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|  | ● | we have identified a material weakness in our internal control over financial reporting as of December 31, 2021. If we are unable to develop and maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results, which may adversely affect investor confidence in us and materially and adversely affect our business and operating results; and |
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|  | ● | our independent registered public accounting firm’s report contains an explanatory paragraph that expresses substantial doubt about our ability to continue as a “going concern,” since we will cease all operations except for the purpose of liquidating if we are unable to complete an initial business combination by July 11, 2022. |

For the complete list of risks relating to our operations, see the section titled “Risk Factors” contained in our Registration Statement, our quarterly report on Form 10-Q for the period ended March 31, 2021 filed with the SEC on May 24, 2021 and Amendment No. 1 to our quarterly report on Form 10-Q for the period ended September 30, 2021, filed with the SEC on December 8, 2021.

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| **Item 1B.** | **Unresolved Staff Comments.** |

Not applicable.

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| **Item 2.** | **Properties.** |

Our executive offices are located at 1096 Keeler Avenue, Berkeley CA 94708, and our telephone number is (650) 246-9907. Our executive offices are provided to us by an affiliate of Arjun Divecha, our Special Advisor, at no charge, until such time as we may enter into lease for office space with an unaffiliated third party. We consider our current office space adequate for our current operations.

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| **Item 3.** | **Legal Proceedings.** |

To the knowledge of our management team, there is no litigation currently pending or contemplated against us, any of our officers or directors in their capacity as such or against any of our property.

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| **Item 4.** | **Mine Safety Disclosures.** |

Not applicable.

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**PART II**

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|  | **Item 5.** | **Market for Registrant’s Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities.** |

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|  | **(a)** | **Market Information** |

Our units, public shares and public warrants are each traded on Nasdaq under the symbols INKAU, INKA and INKAW, respectively. Our units commenced public trading on January 7, 2021, and our public shares and public warrants commenced separate public trading on March 1, 2021.

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|  | **(b)** | **Holders** |

On April 8, 2021, there was 1 holder of record of our units, 1 holder of record of our shares of Class A common stock, 4 holders of record of our shares of Class B common stock and 2 holders of record of our warrants.

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|  | **(c)** | **Dividends** |

We have not paid any cash dividends on our common stock to date and do not intend to pay cash dividends prior to the completion of our initial business combination. The payment of cash dividends in the future will be dependent upon our revenues and earnings, if any, capital requirements and general financial condition subsequent to completion of our initial business combination. The payment of any cash dividends subsequent to our initial business combination will be within the discretion of our board of directors at such time. In addition, our board of directors is not currently contemplating and does not anticipate declaring any stock dividends in the foreseeable future. Further, if we incur any indebtedness in connection with our initial business combination, our ability to declare dividends may be limited by restrictive covenants we may agree to in connection therewith.

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|  | **(d)** | **Securities Authorized for Issuance Under Equity Compensation Plans.** |

None.

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|  | **(e)** | **Recent Sales of Unregistered Securities** |

None.

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|  | **(f)** | **Purchases of Equity Securities by the Issuer and Affiliated Purchasers** |

None.

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|  | **Item 6.** | **[Reserved].** |

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|  | **Item 7.** | **Management’s Discussion and Analysis of Financial Condition and Results of Operations.** |

*References to the “Company,” “us,” “our” or “we” refer to KludeIn I Acquisition Corp. The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our audited financial statements and related notes included herein.*

The following discussion and analysis of the Company’s financial condition and results of operations should be read in conjunction with our audited financial statements and the notes related thereto which are included in “Item 8. Financial Statements and Supplementary Data” of this Annual Report on Form 10-K. Certain information contained in the discussion and analysis set forth below includes forward-looking statements. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those set forth under “Special Note Regarding Forward-Looking Statements,” “Item 1A. Risk Factors” and elsewhere in this Annual Report on Form 10-K.

**Restatement of Previously Issued Financial Statements**

This Management’s Discussion and Analysis of Financial Condition and Results of Operations has been amended and restated to give effect to the restatement of our financial statements as of March 31, 2021, June 30, 2021, and September 30, 2021 (the “Affected Periods”).

Subsequent to the filing of the Form 10-Q/A, Amendment No. 1 for the quarterly period ended September 30, 2021, management identified an error made in its historical Financial Statements where at the closing of the Initial Public Offering, we did not properly record the Founders Shares attributable to the Anchor Investor by our Sponsor. We concluded that the fair value of the Founder Shares should be recorded as an offering cost with corresponding credit to additional paid-in-capital, in accordance with Staff Accounting Bulletin Topic 5A and Topic 5T. As a result, the offering costs should be allocated to the separable financial instruments issued in the Initial Public Offering using the with-and-without method, compared to total proceeds received. This resulted in restatement to the Affected Periods.

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**Overview**

We are a blank check company formed under the laws of the State of Delaware on September 24, 2020, for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or other similar business combination with one or more businesses. We intend to effectuate our business combination using cash from the proceeds of the Initial Public Offering and the sale of the private placement warrants, our capital stock, debt or a combination of cash, stock and debt.

We expect to continue to incur significant costs in the pursuit of our acquisition plans. We cannot assure you that our plans to complete a business combination will be successful.

**Results of Operations**

We have neither engaged in any operations nor generated any revenues to date. Our only activities from September 24, 2020 (inception) through December 31, 2021 were organizational activities, those necessary to prepare for the Initial Public Offering, described below, and subsequent to the initial public offering, identifying a target company for a business combination. We do not expect to generate any operating revenues until after the completion of our business combination. We generate non-operating income in the form of interest income and unrealized gains on marketable securities held in a Trust Account, and gains or losses from the change in fair value of the warrant liabilities. We incur expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance), as well as for due diligence expenses.

For the year ended December 31, 2021, we had a net loss of $406,026, which consists of the change in fair value of the warrant liabilities of $1,642,290, unrealized gain on marketable securities held in Trust Account of $2,211 and interest earned on marketable securities held in the Trust Account of $78,398, offset by formation and operational costs of $1,605,912 and transaction costs allocated to warrant liabilities of $523,013.

For the nine months ended September 30, 2021, we had a net loss of $434,039, which consists of formation and operational costs of $931,960 and transaction costs allocated to warrants of $523,013, partially offset by the change in fair value of the warrant liabilities of $961,676, unrealized gain on marketable securities held in Trust Account of $1,361, and interest earned on marketable securities held in the Trust Account of $57,897.

For the six months ended June 30, 2021, we had a net loss of $1,459,167, which consists of formation and operational costs of $645,127, change in fair value of the warrant liability of $328,500, transaction costs allocated to warrants of $523,013 and unrealized loss on marketable securities held in Trust Account of $2,373, offset by interest earned on marketable securities held in the Trust Account of $39,846.

For the three months ended March 31, 2021, we had net income of $1,388,100, which consists of changes in fair value of the warrant liability of $2,212,000 and interest earned on marketable securities held in the Trust Account of $33,277, partially offset by operating and formation costs of $333,548, transaction costs allocated to warrants of $523,013 and an unrealized loss on marketable securities held in Trust Account of $616.

For the period from September 24, 2020 (inception) through December 31, 2020, we had a net loss of $1,893, which consisted of formation and operational costs.

**Factors That May Adversely Affect Our Results of Operations**

Our results of operations and our ability to complete an initial business combination may be adversely affected by various factors that could cause economic uncertainty and volatility in the financial markets, many of which are beyond our control. Our business could be impacted by, among other things, downturns in the financial markets or in economic conditions, increases in oil prices, inflation, increases in interest rates, supply chain disruptions, declines in consumer confidence and spending, the ongoing effects of the COVID-19 pandemic, including resurgences and the emergence of new variants, and geopolitical instability, such as the military conflict in the Ukraine. We cannot at this time fully predict the likelihood of one or more of the above events, their duration or magnitude or the extent to which they may negatively impact our business and our ability to complete an initial business combination.

**Liquidity and Going Concern**

On January 11, 2021, we consummated the Initial Public Offering of 17,250,000 units, at a price of $10.00 per unit, which included the full exercise by the underwriters of their over-allotment option in the amount of 2,250,000 units, generating gross proceeds of $172,500,000. Simultaneously with the closing of the Initial Public Offering, we consummated the sale of 5,200,000 private placement warrants to the sponsor at a price of $1.00 per private placement warrant generating gross proceeds of $5,200,000.

Following the Initial Public Offering, the full exercise of the over-allotment option, and the sale of the private placement warrants, a total of $172,500,000 was placed in the Trust Account. We incurred $14,303,235 in transaction costs, including $3,450,000 of underwriting fees, $6,037,500 of deferred underwriting fees, $4,411,238 of fair value of the Founder Shares attributable to the Anchor Investor and $404,497 of other offering costs.

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For the year ended December 31, 2021, cash used in operating activities was $970,669. Net loss of $406,026 was affected by changes in fair value of the warrant liabilities of $1,642,290, interest earned on marketable securities held in the Trust Account of $78,398, transaction costs allocated to warrants of $523,013 and an unrealized gain on marketable securities held in Trust Account of $2,211. Changes in operating assets and liabilities provided $635,243 of cash for operating activities.

For the nine months ended September 30, 2021, cash used in operating activities was $897,443. Net loss of $434,039 was affected by changes in fair value of the warrant liabilities of $961,676, interest earned on marketable securities held in the Trust Account of $57,897, transaction costs allocated to warrants of $523,013 and an unrealized gain on marketable securities held in Trust Account of $1,361. Changes in operating assets and liabilities provided $34,517 of cash for operating activities.

For the six months ended June 30, 2021, cash used in operating activities was $858,964. Net loss of $1,459,167 was affected by changes in fair value of the warrant liability of $328,500, interest earned on marketable securities held in the Trust Account of $39,846, transaction costs allocated to warrants of $523,013 and an unrealized loss on marketable securities held in Trust Account of $2,373. Changes in operating assets and liabilities used $213,837 of cash for operating activities.

For the three months ended March 31, 2021, cash used in operating activities was $740,392. Net income of $1,388,100 was affected by changes in fair value of the warrant liability of $2,212,000, interest earned on marketable securities held in the Trust Account of $33,277, transaction costs incurred in connection with the Initial Public Offering of $523,013 and an unrealized loss on marketable securities held in Trust Account of $616. Changes in operating assets and liabilities used $406,844 of cash for operating activities.

For the period from September 24, 2020 (inception) through December 31, 2020, cash provided by operating activities was $1,000. Net loss of $1,893 was affected by formation cost paid by sponsor through promissory note of $761 and changes in operating assets and liabilities which provided $2,132 of cash for operating activities.

At December 31, 2021, we had cash and marketable securities held in the Trust Account of $172,580,609 (including approximately $80,000 of interest income, including unrealized gain) consisting of U.S. treasury bills with a maturity of 185 days or less. Interest income on the balance in the Trust Account may be used by us to pay taxes. Through December 31, 2021, we had not withdrawn any interest earned from the Trust Account.

We intend to use substantially all of the funds held in the Trust Account, including any amounts representing interest earned on the Trust Account (less deferred underwriting commissions and income taxes payable), to complete our business combination. To the extent that our capital stock or debt is used, in whole or in part, as consideration to complete our business combination, the remaining proceeds held in the Trust Account will be used as working capital to finance the operations of the target business or businesses, make other acquisitions and pursue our growth strategies.

At December 31, 2021, we had cash of $400,073. We intend to use the funds held outside the Trust Account primarily to identify and evaluate target businesses, perform business due diligence on prospective target businesses, travel to and from the offices, plants or similar locations of prospective target businesses or their representatives or owners, review corporate documents and material agreements of prospective target businesses, and structure, negotiate and complete a business combination.

In order to fund working capital deficiencies or finance transaction costs in connection with a business combination, our sponsors or an affiliate of our sponsors or certain of our officers and directors may, but are not obligated to, loan us funds as may be required (“Working Capital Loans”). Such Working Capital Loans would be evidenced by promissory notes. If we complete a business combination, we may repay the notes out of the proceeds of the Trust Account released to us. In the event that a business combination does not close, we may use a portion of the working capital held outside the Trust Account to repay the notes, but no proceeds from our Trust Account would be used for such repayment. On January 21, 2022, we issued a promissory in the principal amount of up to $1,500,000 to our sponsor and drew $462,500 under this arrangement. The note is non-interest bearing and payable upon the consummation of a business combination or may be convertible into warrants of the post-business combination entity at a price of $1.00 per warrant. The warrants would be identical to the private placement warrants.

As indicated in the accompanying financial statements, at December 31, 2021, the Company had $400,073 in cash, and a working capital deficit of $156,693, which excludes $80,609 of interest earned on Trust which is available to pay Delaware franchise taxes payable.

The Company’s liquidity needs prior to the consummation of the Initial Public Offering were satisfied through the proceeds of $25,000 from the sale of founder shares, and loans from the sponsor of approximately $89,000. The loan was repaid in full on January 11, 2021. Subsequent to the consummation of the Initial Public Offering, the Company’s liquidity has been satisfied through the net proceeds received from the consummation of the Initial Public Offering and the sale of private placement warrants.

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In connection with the Company’s assessment of going concern considerations in accordance with Financial Accounting Standards Board’s Accounting Standards Codification Topic 205-40, “Presentation of Financial Statements – Going Concern,” the Company has until July 11, 2022, to consummate an initial business combination. It is uncertain that the Company will be able to consummate an initial business combination by this time. If an initial business combination is not consummated by this date, there will be a mandatory liquidation and subsequent dissolution of the Company. Additionally, the Company may not have sufficient liquidity to fund the working capital needs of the Company through one year from the issuance of these financial statements. Management has determined that the liquidity condition and mandatory liquidation, should an initial business combination not occur, and potential subsequent dissolution raises substantial doubt about the Company’s ability to continue as a going concern. No adjustments have been made to the carrying amounts of assets or liabilities should the Company be required to liquidate after July 11, 2022. The Company’s sponsor, officers and directors may, but are not obligated to, loan the Company funds from time to time or at any time, in whatever amount they deem reasonable in their sole discretion, to meet the Company’s working capital needs. On January 21, 2022, we issued a working capital loan in the principal amount of up to $1,500,000 to our sponsor. On January 31, 2022, the Company drew $350,000 on the Working Capital Loan. On April 1, 2022, the Company drew an additional $112,500 on the Working Capital Loan.

**Off-Balance Sheet Financing Arrangements**

We have no obligations, assets or liabilities, which would be considered off-balance sheet arrangements as of December 31, 2021. We do not participate in transactions that create relationships with unconsolidated entities or financial partnerships, often referred to as variable interest entities, which would have been established for the purpose of facilitating off-balance sheet arrangements. We have not entered into any off-balance sheet financing arrangements, established any special purpose entities, guaranteed any debt or commitments of other entities, or purchased any non-financial assets.

**Contractual Obligations**

We do not have any long-term debt, capital lease obligations, operating lease obligations or long-term liabilities.

The underwriters are entitled to a deferred fee of $0.35 per unit, or $6,037,500 in the aggregate. The deferred fee will become payable to the underwriters from the amounts held in the Trust Account solely in the event that we complete a business combination, subject to the terms of the underwriting agreement.

**Critical Accounting Policies**

The preparation of financial statements and related disclosures in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and income and expenses during the periods reported. Actual results could materially differ from those estimates. We have not identified any critical accounting policies.

*Warrant Liabilities*

The Company does not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant’s specific terms and applicable authoritative guidance in FASB ASC 480, Distinguishing Liabilities from Equity (“ASC 480”) and ASC 815, Derivatives and Hedging (“ASC 815”). The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company’s own shares of common stock, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding.

For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, the warrants are required to be recorded at their initial fair value on the date of issuance, and each balance sheet date thereafter. Changes in the estimated fair value of the warrants are recognized as a non-cash gain or loss on the statements of operations. For the private placement warrants, the fair value was estimated using a binomial lattice model incorporating the Cox-Rss-Rubenstein methodology at the closing date of the Initial Public Offering and as of December 31, 2021. For the public warrants, the fair value was estimated using a binomial lattice model incorporating the Cox-Rss-Rubenstein methodology at the closing date of the Initial Public Offering and the level 1 quoted prices in an active market as of December 31, 2021.

*Class A Common Stock Subject to Possible Redemption*

We account for our common stock subject to possible conversion in accordance with the guidance in ASC Topic 480 “Distinguishing Liabilities from Equity.” Class A common stock subject to mandatory redemption is classified as a liability instrument and measured at fair value. Conditionally redeemable common stock (including common stock that features redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within our control) is classified as temporary equity. At all other times, common stock is classified as stockholders’ equity. Our Class A common stock features certain redemption rights that are considered to be outside of our control and subject to occurrence of uncertain future events. Accordingly, all shares of Class A common stock subject to possible redemption are presented at redemption value as temporary equity, outside of the stockholders’ equity section of our balance sheets.

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*Net Loss Per Share of Common Stock*

Net loss per share of common stock is computed by dividing net loss by the weighted average number of shares of common stock outstanding for the period. The Company applies the two-class method in calculating loss per share of common stock. Re-measurement associated with the redeemable shares of Class A common stock is excluded from loss per common share as the redemption value approximates fair value. Net income or loss is allocated among the classes of ordinary shares based on weighted average shares outstanding.

The calculation of diluted loss per share of common stock does not consider the effect of the warrants issued in connection with the (i) initial public offering, and (ii) the private placement since the exercise of the warrants is contingent upon the occurrence of future events. The warrants are exercisable to purchase 13,825,000 shares of Class A common stock in the aggregate. As of December 31, 2021 and 2020, the Company did not have any other dilutive securities or other contracts that could, potentially, be exercised or converted into common stock and then share in the earnings of the Company. As a result, diluted net loss per common share is the same as basic net loss per common share for the periods presented.

*Recent Accounting Standards*

In August 2020, the FASB issued Accounting Standards Update (“ASU”) No. 2020-06, “Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity” (“ASU 2020-06”), which simplifies accounting for convertible instruments by removing major separation models required under current U.S. GAAP. The ASU also removes certain settlement conditions that are required for equity-linked contracts to qualify for the derivative scope exception, and it simplifies the diluted earnings per share calculation in certain areas. We early adopted ASU 2020-06 on January 1, 2021. Adoption of the ASU did not impact our financial position, results of operations or cash flows.

Management does not believe that any other recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on our financial statements.

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|  | **Item 7A.** | **Quantitative and Qualitative Disclosures about Market Risk.** |

To date, our efforts have been limited to organizational activities, activities relating to our initial public offering and since the initial public offering, the search for a target business with which to consummate an initial business combination. We have engaged in limited operations and have not generated any revenues. We have not engaged in any hedging activities since our inception on September 24, 2020. We do not expect to engage in any hedging activities with respect to the market risk to which we are exposed.

The net proceeds of the initial public offering and the sale of the private placement warrants held in a U.S.-based trust account with Continental acting as trustee, have been invested in U.S. government treasury bills with a maturity of 185 days or less or in money market funds meeting certain conditions under Rule 2a-7 under the Investment Company Act which invest only in direct U.S. government treasury obligations. Due to the short-term nature of these investments, we believe there will be no associated material exposure to interest rate risk.

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|  | **Item 8.** | **Financial Statements and Supplementary Data.** |

This information appears following Item 15 of this Report and is included herein by reference.

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|  | **Item 9.** | **Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.** |

None.

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|  | **Item 9A.** | **Controls and Procedures.** |

**Evaluation of Disclosure Controls and Procedures**

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

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As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2021. Based upon their evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were not effective, due solely to the material weakness in our internal control over financial reporting related to the Company’s accounting for complex financial instruments. As a result, we performed additional analysis as deemed necessary to ensure that our financial statements were prepared in accordance with GAAP. Accordingly, management believes that the financial statements included in this Report present fairly in all material respects our financial position, results of operations and cash flows for the period presented.

While we have processes to identify and appropriately apply applicable accounting requirements, we plan to continue to enhance our system of evaluating and implementing the accounting standards that apply to our financial statements, including through enhanced analyses by our personnel and third-party professionals with whom we consult regarding complex accounting applications. The elements of our remediation plan can only be accomplished over time, and we can offer no assurance that these initiatives will ultimately have the intended effects. We plan to further improve this process by enhancing access to accounting literature, identification of third-party professionals with whom to consult regarding complex accounting applications and consideration of additional staff with the requisite experience and training to supplement existing accounting professionals.

**Management’s Annual Report on Internal Control over Financial Reporting**

As required by SEC rules and regulations implementing Section 404 of the Sarbanes-Oxley Act, (as defined in Rules 13a-15(e) and 15- d-15(e) under the Exchange Act) our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements for external reporting purposes in accordance with GAAP. Our internal control over financial reporting includes those policies and procedures that:

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|  | (1) | pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of our company, |

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| --- | --- | --- |
|  | (2) | provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors, and |

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| --- | --- | --- |
|  | (3) | provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements. |

Because of its inherent limitations, internal control over financial reporting may not prevent or detect errors or misstatements in our consolidated financial statements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree or compliance with the policies or procedures may deteriorate. Management assessed the effectiveness of our internal control over financial reporting at December 31, 2021. In making these assessments, management used the criteria set forth by the Committee of sponsoring Organizations of the Treadway Commission (COSO) in Internal Control — Integrated Framework (2013). Based on our assessments and those criteria, management determined that we did not maintain effective internal control over financial reporting as of December 31, 2021.

Management has implemented remediation steps to improve our internal control over financial reporting. Specifically, we expanded and improved our review process for complex securities and related accounting standards. We plan to further improve this process by enhancing access to accounting literature, identification of third-party professionals with whom to consult regarding complex accounting applications and consideration of additional staff with the requisite experience and training to supplement existing accounting professionals.

This Report does not include an attestation report of our independent registered public accounting firm due to our status as an emerging growth company under the JOBS Act.

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**Changes in Internal Control over Financial Reporting**

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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|  | **Item 9B.** | **Other Information.** |

None.

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|  | **Item 9C.** | **Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.** |

Not applicable.

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**PART III**

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|  | **Item 10.** | **Directors, Executive Officers and Corporate Governance.** |

**Directors and Executive Officers**

As of the date of this Report, our directors and officers are as follows:

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| --- | --- | --- | --- | --- |
| **Name** |  | **Age** |  | **Position** |
| Narayan Ramachandran |  | 59 |  | Chief Executive Officer and Chairman |
| Mini Krishnamoorthy |  | 43 |  | Chief Financial Officer and Director |
| Sriram Raghavan |  | 49 |  | Co-President |
| Dr. Ashish Gupta |  | 55 |  | Co-President |
| Krishnan Rajagopalan |  | 61 |  | Director |
| Madhavan Rangaswami |  | 66 |  | Director |
| Mark Bailey |  | 62 |  | Director |

The experience of our directors, executive officers and special advisor is as follows:

**Narayan Ramachandran**, our Chairman and Chief Executive Officer since inception, is a successful investment professional with over three decades of investment experience. Between January 2016 and December 2019, Mr. Ramachandran served as a General Partner and Vice Chairman of L Catterton Asia, a leading consumer-focused private equity firm with more than $3 billion in assets under management. Prior to that, Mr. Ramachandran co-founded InKlude Labs, a social enterprise incubator, and KludeIn Ventures, a Palo Alto-based investment firm focused on strategic investments in high growth companies, and has served as the Chairman and General Partner of KludeIn Management LLC, since June 2015. He previously served as the head of Morgan Stanley in India from July 2006 to February 2010, and also led Morgan Stanley’s Global Emerging Markets and Global Asset Allocation portfolio management teams from March 2001 to July 2006, managing over $25 billion in assets. Mr. Ramachandran received a B.S with distinction in chemical engineering from IIT Bombay, and holds an MBA from the Ross School of Business, University of Michigan. Mr. Ramachandran is a Chartered Financial Analyst.

**Mini Krishnamoorthy**, our Chief Financial Officer and Director since inception, has served as the Chief Financial Officer and the Head of Data Analytics for ZeeMee Inc., a venture-funded education technology company based in Silicon Valley, since September 2016, where she leads a team of data scientists to provide key analytics to customers. She has effectively overseen key growth initiatives at ZeeMee Inc and now works with 75 universities in the United States who use ZeeMee’s services to effectively recruit undergraduate students globally. From 2015 to 2016, Ms. Krishnamoorthy served as a senior member of the Capital Markets team of Kabbage, Inc., a financial technology company providing small business loans. From 2013 to 2015, Ms. Krishnamoorthy served as Chief of Staff for Corporate Development and Treasury at HP Inc. and was part of the strategy and planning team during HP’s restructure. Previously, she worked at Deutsche Bank as part of Global Banking and Markets Chief Operating Office team in London and started her career at Commonwealth Bank of Australia in the Structured Finance team. Ms. Krishnamoorthy received her MBA from Macquarie Graduate School of Management in Sydney, Australia, and a Bachelor’s Degree in Actuarial Studies from Macquarie University in Sydney, Australia.

**Dr. Ashish Gupta**, our Co-President since inception, is a successful entrepreneur and investment professional with over 25 years of technology investment experience in the United States and in India. Since 2014, Dr. Gupta has been an independent business consultant through his consulting firm, GGT2 LLC. He co-founded Helion Advisors which advised over $600 million of investments in India based startups. He currently serves on the board of directors of Info Edge (NSE INDIA: NAUKRI) and Hindustan Unilever (NSE INDIA: HINDUNILVR) in India. Dr. Gupta has co-founded two successful companies, Junglee (acquired by Amazon) and Tavant Technologies, and previously worked as a Kauffman Fellow at Woodside Fund from 2003 to 2004 and as an Investment Partner at Woodside Fund from 2004 to 2005. Dr. Gupta worked was a senior member of the Technical Staff at Oracle Corporation from 1995 to 1996 and as a member of the Research Staff at IBM from 1994 to 1995. Dr. Gupta received a Ph.D. in Computer Science from Stanford University and a B.S. in Computer Science from IIT Kanpur, where he was awarded the President’s Gold medal.

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**Sriram Raghavan**,our Co-President since inception, is a serial entrepreneur and investor in both the public and private markets. Mr. Raghavan co-founded KludeIn, an investment partnership, in 2015, and has served as a General Partner since then. From October 2018 to December 2019, he was a Partner with L Catterton Asia. Prior to that, Mr. Raghavan served on the Strategic Advisory Board of L Catterton, where he provided leadership in Consumer Technology Investing. Prior to that, Mr. Raghavan has founded, built and sold technology focused companies in the United States and India, including Comat Technologies, a social enterprise specializing in delivering of information based services to rural India, in 2011. He was also an early contributor to the design of the Aadhar system, India’s unique ID system covering over a billion residents. Mr. Raghavan received his B.S. in Electronics Engineering, and attended the Executive Program of Global Leadership and Public Policy for the 21st Century at the John F. Kennedy School of Government at Harvard University in 2010. Mr. Raghavan has also received several personal accolades in recognition of his work, including being honored with the Social Innovation Park Fellow Award in 2010 as a high achieving individual creating systemic social change and the Young Global Leader by the World Economic Forum for 2010.

**Krishnan Rajagopalan**, our director since January 2021, is President and Chief Executive Officer for Heidrick & Struggles (Nnasdaq: HSII) a global leadership advisory firm providing executive search, leadership assessment and development, organization and team effectiveness, and culture shaping services. He also serves on the Board of Directors of Heidrick & Struggles. He has been with Heidrick & Struggles for over 20 years. Prior to joining Heidrick & Struggles, Mr. Rajagopalan was a Vice President and Partner with A.T. Kearney Consulting. Mr. Rajagopalan earned a Master of Business Administration degree from The University of Chicago Booth School of Business, and holds Master of Science and Bachelor of Science degrees in engineering from Johns Hopkins University. He has been recognized as one of the “100 Most Influential Executive Recruiters in the World” by Business Week. He is also a recipient of the Distinguished Alumnus Award from Johns Hopkins University, a member of its G.W.C. Whiting School of Engineering National Advisory Council and a member of the US-China Business Council where he serves as Head of the Nominating Committee. We believe that Mr. Rajagopalan is qualified to serve on our board due to his extensive executive and management experience.

**Madhavan “M.R.” Rangaswami**, our director since January 2021, is co-founder and Managing Director of Sand Hill Group, one of the earliest angel investment firms in Silicon Valley that was founded in 1997. He also served as a director at BDNA Inc., an enterprise technology company from 2000 until its acquisition in 2017. Prior to that, he served as Chief Marketing Officer at Baan Company from 1995 to 1996 and VP of Applications Marketing from 1988 to 1992 at Oracle Corporation where he helped launch products and markets. Mr. Rangaswami holds a Bachelor’s degree in Commerce and a Bachelor’s degree in Law from University of Madras and an MBA from Kent State University. We believe that Mr. Rangaswami is qualified to serve on our board due to his extensive investment experience and industry knowledge in software companies.

**Mark Bailey**, our director since January 2021, is a founder & partner of DFJ Growth in Menlo Park, California and has served in that capacity since its inception in September 2005. Mr. Bailey has served on the boards of directors of a number of companies, including Cylance, Inc. and Immuta, Inc. He holds a B.S.E. in electrical engineering and computer science from Princeton University and an MBA from Harvard University. We believe that Mr. Bailey is qualified to serve on our board due to his extensive investment and M&A experience.

**Arjun Divecha**, our special advisor, is a Portfolio Manager Grantham Mayo Van Otterloo (GMO), a Boston-based investment management firm. Mr. Divecha joined GMO in 1993 and is responsible for the firm’s emerging equity funds. He has served on GMO’s Board of Directors for the past 20 years, and has served as Chairman for the past 10 years. From 1981 to 1993, Mr. Divecha worked at BARRA (a Berkeley-based fintech SAAS firm, which was acquired by MSCI in 2004), directing software development, marketing, client service and emerging markets research and development. He is the Founder-Director of The Divecha Centre for Climate Change at the Indian Institute of Science, Bangalore, and a board member of the Bay Area chapter of Pratham. Mr. Divecha received a B.S. in Aeronautical Engineering from IIT Bombay and holds an MBA from Cornell University.

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**Family Relationship**

Ms. Krishnamoorthy, our Chief Financial Officer and Director, is the wife of Mr. Raghavan, our Co-President. There are no other family relationships among any of our directors or executive officers that are required to be disclosed by Regulation S-K.

**Number and Terms of Office of Officers and Directors**

We have five directors. Our board of directors is divided into two classes with only one class of directors being elected in each year and each class (except for those directors appointed prior to our first annual meeting of stockholders) serving a two-year term. In accordance with Nasdaq’s corporate governance requirements, we are not required to hold an annual meeting until one full year after our first fiscal year end following our listing on Nasdaq.

The term of office of the first class of directors, consisting of Messrs. Rajagopalan, Rangaswami and Bailey, will expire at our first annual meeting of stockholders. The term of office of the second class of directors, consisting of Mr. Ramachandran and Ms. Krishnamoorthy, will expire at the second annual meeting of stockholders.

Our officers are appointed by the board of directors and serve at the discretion of the board of directors, rather than for specific terms of office. Our board of directors is authorized to appoint persons to the offices set forth in our bylaws as it deems appropriate. Our bylaws provide that our officers may consist of Chairman of the Board, Chief Executive Officer, Chief Financial Officer, one or more Presidents, Secretary, Treasurer, Assistant Secretaries and such other offices as may be determined by the board of directors.

**Committees of the Board of Directors**

Our board of directors has two standing committees: an audit committee and a compensation committee. Subject to phase-in rules and a limited exception, Nasdaq rules and Rule 10A-3 of the Exchange Act require that the audit committee of a listed company be comprised solely of independent directors, and Nasdaq rules require that the compensation committee of a listed company each be comprised solely of independent directors.

**Audit Committee**

We have established an audit committee of the board of directors. Messrs. Rajagopalan, Rangaswami and Bailey serve as members of our audit committee, and Mr. Bailey chairs the audit committee. Under the Nasdaq listing standards and applicable SEC rules, we are required to have at least three members of the audit committee, all of whom must be independent. Each of Messrs. Rajagopalan, Rangaswami and Bailey meets the independent director standard under Nasdaq listing standards and under Rule 10-A-3(b)(1) of the Exchange Act.

Each member of the audit committee is financially literate and our board of directors has determined that Mr. Bailey qualifies as an “audit committee financial expert” as defined in applicable SEC rules.

We have adopted an audit committee charter, which details the principal functions of the audit committee, including:

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|  | ● | the appointment, compensation, retention, replacement, and oversight of the work of the independent registered public accounting firm engaged by us; |

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|  | ● | pre-approving all audit and permitted non-audit services to be provided by the independent registered public accounting firm engaged by us, and establishing pre-approval policies and procedures; |

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|  | ● | setting clear hiring policies for employees or former employees of the independent registered public accounting firm, including but not limited to, as required by applicable laws and regulations; |

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|  | ● | setting clear policies for audit partner rotation in compliance with applicable laws and regulations; |

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|  | ● | obtaining and reviewing a report, at least annually, from the independent registered public accounting firm describing (i) the independent registered public accounting firm’s internal quality-control procedures, (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the audit firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm and any steps taken to deal with such issues and (iii) all relationships between the independent registered public accounting firm and us to assess the independent registered public accounting firm’s independence; |

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|  | ● | reviewing and approving any related party transaction required to be disclosed pursuant to Item 404 of Regulation S-K promulgated by the SEC prior to us entering into such transaction; and |

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|  | ● | reviewing with management, the independent registered public accounting firm, and our legal advisors, as appropriate, any legal, regulatory or compliance matters, including any correspondence with regulators or government agencies and any employee complaints or published reports that raise material issues regarding our financial statements or accounting policies and any significant changes in accounting standards or rules promulgated by the Financial Accounting Standards Board, the SEC or other regulatory authorities. |

**Compensation Committee**

We have established a compensation committee of the board of directors. Messrs. Rajagopalan and Bailey serve as members of our compensation committee. Under the Nasdaq listing standards and applicable SEC rules, we are required to have at least two members of the compensation committee, all of whom must be independent. Messrs. Rajagopalan and Bailey are independent and Mr. Rajagopalan chairs the compensation committee.

We have adopted a compensation committee charter, which details the principal functions of the compensation committee, including:

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|  | ● | reviewing and approving on an annual basis the corporate goals and objectives relevant to our Chief Executive Officer’s compensation, if any is paid by us, evaluating our Chief Executive Officer’s performance in light of such goals and objectives and determining and approving the remuneration (if any) of our Chief Executive Officer based on such evaluation; |

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|  | ● | reviewing and approving on an annual basis the compensation, if any is paid by us, of all of our other officers; |

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|  | ● | reviewing on an annual basis our executive compensation policies and plans; |

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|  | ● | implementing and administering our incentive compensation equity-based remuneration plans; |

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|  | ● | assisting management in complying with our proxy statement and annual report disclosure requirements; |

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|  | ● | approving all special perquisites, special cash payments and other special compensation and benefit arrangements for our officers and employees; |

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|  | ● | if required, producing a report on executive compensation to be included in our annual proxy statement; and |

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|  | ● | reviewing, evaluating and recommending changes, if appropriate, to the remuneration for directors. |

Notwithstanding the foregoing, other than the reimbursement of expenses, no compensation of any kind, including finders, consulting or other similar fees, will be paid to any of our existing stockholders, officers, directors or any of their respective affiliates, prior to, or for any services they render in order to effectuate the consummation of an initial business combination. Accordingly, it is likely that prior to the consummation of an initial business combination, the compensation committee will only be responsible for the review and recommendation of any compensation arrangements to be entered into in connection with such initial business combination.

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The charter also provides that the compensation committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser and will be directly responsible for the appointment, compensation and oversight of the work of any such adviser. However, before engaging or receiving advice from a compensation consultant, external legal counsel or any other adviser, the compensation committee will consider the independence of each such adviser, including the factors required by Nasdaq and the SEC.

**Director Nominations**

We do not have a standing nominating committee though we intend to form a corporate governance and nominating committee as and when required to do so by law or Nasdaq rules. In accordance with Rule 5605(e)(2) of the Nasdaq rules, a majority of the independent directors may recommend a director nominee for selection by the board of directors. The board of directors believes that the independent directors can satisfactorily carry out the responsibility of properly selecting or approving director nominees without the formation of a standing nominating committee. The directors who participate in the consideration and recommendation of director nominees are Messrs. Rajagopalan, Rangaswami and Bailey. In accordance with the Nasdaq rules, all such directors are independent. As there is no standing nominating committee, we do not have a nominating committee charter in place.

The board of directors also considers director candidates recommended for nomination by our stockholders during such times as they are seeking proposed nominees to stand for election at the next annual meeting of stockholders (or, if applicable, a special meeting of stockholders). Our stockholders that wish to nominate a director for election to our board of directors should follow the procedures set forth in our bylaws.

We have not formally established any specific, minimum qualifications that must be met or skills that are necessary for directors to possess. In general, in identifying and evaluating nominees for directorship, the board of directors considers educational background, diversity of professional experience, knowledge of our business, integrity, professional reputation, independence, wisdom, and the ability to represent the best interests of our stockholders.

**Code of Ethics**

We have adopted a Code of Ethics applicable to our directors, officers and employees. We have filed a copy of our Code of Ethics and our audit and compensation committee charters with the SEC. You are able to review these documents by accessing our public filings at the SEC’s web site at *www.sec.gov*. In addition, a copy of the Code of Ethics will be provided without charge upon request from us. We intend to disclose any amendments to or waivers of certain provisions of our Code of Ethics in a Current Report on Form 8-K.

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|  | **Item 11.** | **Executive Compensation.** |

**Compensation Discussion and Analysis**

None of our officers has received any cash compensation for services rendered to us. No compensation of any kind, including any finder’s fee, reimbursement, consulting fee or monies in respect of any payment of a loan, will be paid by us to our officers and directors prior to, or in connection with any services rendered in order to effectuate, the consummation of our initial business combination (regardless of the type of transaction that it is). However, these individuals will be reimbursed for any out-of-pocket expenses incurred in connection with activities on our behalf such as identifying potential target businesses and performing due diligence on suitable business combinations. We do not have a policy that prohibits our sponsor, executive officers or directors, or any of their respective affiliates, from negotiating for the reimbursement of out-of-pocket expenses by a target business. Our audit committee reviews on a quarterly basis all payments that were made to our sponsor, officers or directors, or our or their affiliates. Any such payments prior to an initial business combination will be made using funds held outside the trust account. Other than quarterly audit committee review of such payments, we do not expect to have any additional controls in place governing our reimbursement payments to our directors and executive officers for their out-of-pocket expenses incurred in connection with identifying and consummating an initial business combination.

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After the completion of our initial business combination, directors or members of our management team who remain with us may be paid consulting or management fees from the combined company. All of these fees will be fully disclosed to stockholders, to the extent then known, in the proxy solicitation materials or tender offer documents furnished to our stockholders in connection with a proposed initial business combination. We have not established any limit on the amount of such fees that may be paid by the combined company to our directors or members of management. It is unlikely the amount of such compensation will be known at the time of the proposed initial business combination, because the directors of the post-combination business will be responsible for determining officer and director compensation. Any compensation to be paid to our officers will be determined, or recommended to the board of directors for determination, either by a compensation committee constituted solely by independent directors or by a majority of the independent directors on our board of directors.

We do not intend to take any action to ensure that members of our management team maintain their positions with us after the consummation of our initial business combination, although it is possible that some or all of our officers and directors may negotiate employment or consulting arrangements to remain with us after our initial business combination. The existence or terms of any such employment or consulting arrangements to retain their positions with us may influence our management’s motivation in identifying or selecting a target business but we do not believe that the ability of our management to remain with us after the consummation of our initial business combination will be a determining factor in our decision to proceed with any potential business combination. We are not party to any agreements with our officers and directors that provide for benefits upon termination of employment.

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|  | **Item 12.** | **Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.** |

The following table sets forth information regarding the beneficial ownership of our common stock as of April 8, 2022 based on information obtained from the persons named below, with respect to the beneficial ownership of common stock, by:

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| --- | --- | --- |
|  | ● | each person known by us to be the beneficial owner of more than 5% of our outstanding common stock; |

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| --- | --- | --- |
|  | ● | each of our executive officers and directors that beneficially owns our common stock; and |

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| --- | --- | --- |
|  | ● | all our executive officers and directors as a group. |

In the table below, percentage ownership is based on 21,562,500 shares of our common stock, consisting of (i) 17,250,000 shares of our Class A common stock and (ii) 4,312,500 shares of our Class B common stock, issued and outstanding as of April 8, 2022. On all matters to be voted upon, except for the election of directors of the board, holders of the shares of Class A common stock and shares of Class B common stock vote together as a single class. Currently, all of the shares of Class B common stock are convertible into Class A common stock on a one-for-one basis.

Unless otherwise indicated, we believe that all persons named in the table have sole voting and investment power with respect to all shares of common stock beneficially owned by them. The following table does not reflect record or beneficial ownership of the private placement warrants as these warrants are not exercisable within 60 days of the date of this Report.

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|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Class A Common Stock** | | | | | |  |  | **Class B Common Stock** | | | | | |  |  | **Approximate** | |  |
| **Name and Address of Beneficial Owner (1)** |  | **Number of**  **Shares**  **Beneficially**  **Owned** | |  |  | **Approximate Percentage of Class** | |  |  | **Number of**  **Shares**  **Beneficially**  **Owned(2)** | |  |  | **Approximate Percentage of Class** | |  |  | **Percentage of Outstanding Shares of Common Stock** | |  |
| KludeIn Prime LLC (3) |  |  | - |  |  |  | - |  |  |  | 4,237,500 |  |  |  | 98.3 | % |  |  | 19.7 | % |
| Narayan Ramachandran (3) |  |  | - |  |  |  | - |  |  |  | 4,237,500 |  |  |  | 98.3 | % |  |  | 19.7 | % |
| Mini Krishnamoorthy |  |  | - |  |  |  | - |  |  |  | - |  |  |  | - |  |  |  | - |  |
| Sriram Raghavan (3) |  |  | - |  |  |  | - |  |  |  | 4,237,500 |  |  |  | 98.3 | % |  |  | 19.7 | % |
| Dr. Ashish Gupta |  |  | - |  |  |  | - |  |  |  | - |  |  |  | - |  |  |  | - |  |
| Krishnan Rajagopalan |  |  | - |  |  |  | - |  |  |  | 25,000 |  |  |  | \* |  |  |  | \* |  |
| Madhavan Rangaswami |  |  | - |  |  |  | - |  |  |  | 25,000 |  |  |  | \* |  |  |  | \* |  |
| Mark Bailey |  |  | - |  |  |  | - |  |  |  | 25,000 |  |  |  | \* |  |  |  | \* |  |
| ***All executive officers and directors as a group (seven individuals)*** |  |  | - |  |  |  | - |  |  |  | 4,312,500 |  |  |  | 100.0 | % |  |  | 20.0 | % |
| **Other 5% Owners:** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Polar Multi-Strategy Fund (4) |  |  | 1,500,000 |  |  |  | 8.7 | % |  |  | - |  |  |  | - |  |  |  | 7.0 | % |
| Fir Tree Capital Management LP (5) |  |  | 1,033,711 |  |  |  | 6.0 | % |  |  | - |  |  |  | - |  |  |  | 4.8 | % |
| Empyrean Capital Overseas Master Fund, Ltd. (6) |  |  | 900,000 |  |  |  | 5.2 | % |  |  | - |  |  |  | - |  |  |  | 4.2 | % |

|  |  |  |
| --- | --- | --- |
|  | \* | less than 1% |

|  |  |
| --- | --- |
| (1) | Unless otherwise noted, the business address of each of the following entities or individuals is c/o KludeIn I Acquisition Corp., 1096 Keeler Avenue, Berkeley, CA 94708. |

|  |  |
| --- | --- |
| (2) | Interests shown consist solely of founder shares, classified as shares of Class B common stock. Such shares are convertible into shares of Class A common stock on a one-for-one basis, subject to adjustment. |

|  |  |
| --- | --- |
| (3) | Our sponsor is the record holder of such shares. Each of Messrs. Ramachandran and Raghaven is a managing member of our sponsor, and as such, each has voting and investment discretion with respect to the common stock held of record by our sponsor and may be deemed to have shared beneficial ownership of the common stock held directly by our sponsor. Each of our officers and directors holds a direct or indirect interest in our sponsor. Each such person disclaims any beneficial ownership of the reported shares other than to the extent of any pecuniary interest they may have therein, directly or indirectly. |

|  |  |
| --- | --- |
| (4) | According to Schedule 13G filed with the SEC on February 9, 2021, shares are owned by Polar Multi-Strategy Master Fund (“Polar MSMF”).  Polar Asset Management Partners Inc. (“PAMPI”) serves as investment advisor of Polar MSMF. As such, PAMPI may be deemed the beneficial owner of the shares held by Polar MSMF.  In addition, Polar MSMF holds an interest in our sponsor. PAMPI disclaims any beneficial ownership of the reported shares other than to the extent of any pecuniary interest they may have therein, directly or indirectly.  The business address of Polar MSMF is c/o Polar Asset Management Partners Inc., 401 Bay Street, Suite 1900, Toronto, Ontario M5H 2Y4. |

|  |  |
| --- | --- |
| (5) | According to Schedule 13G filed with the SEC on February 14, 2022. The address of the principal business office of Fir Tree Capital Management LP is 55 West 46th Street, 29th Floor New York, NY 10036. |

|  |  |
| --- | --- |
| (6) | According to Schedule 13G filed with the SEC on January 25, 2021, shares are owned by Empyrean Capital Overseas Master Fund, Ltd. (“ECOMF”). Empyrean Capital Partners, LP serves as investment manager of ECOMF. Amos Meron serves as the managing member of Empyrean Capital, LLC, the general partner of ECP. Each of ECOMF, ECP and Mr. Meron has shared voting and dispositive power over these shares. The business address of ECOMF, ECP and Mr. Meron is c/o Empyrean Capital Partners, LP, 10250 Constellation Boulevard, Suite 2950, Los Angeles, CA 90067. |

**Securities Authorized for Issuance under Equity Compensation Plans**

None.

**Changes in Control**

None.

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|  |  |  |
| --- | --- | --- |
|  | **Item 13.** | **Certain Relationships and Related Transactions, and Director Independence**. |

In September 2020, our sponsor purchased 4,312,500 founder shares. In January 2021, our sponsor transferred 25,000 founder shares to each of our independent directors. The number of founder shares issued was determined based on the expectation that such founder shares would represent 20% of the outstanding shares upon completion of our initial public offering. The founder shares (including the Class A common stock issuable upon exercise thereof) may not, subject to certain limited exceptions, be transferred, assigned or sold by the holder.

On January 11, 2021, simultaneously with the closing of our initial public offering, our sponsor purchased 5,200,000 private placement warrants for a purchase price of $1.00 per warrant, generating gross proceeds to us of $5,200,000. Each private placement warrant is identical to our public warrants, except as otherwise disclosed in the Registration Statement, and entitles the holder thereof to purchase one share of our Class A common stock at a price of $11.50 per share. The private placement warrants (including the Class A common stock issuable upon exercise thereof) may not, subject to certain limited exceptions, be transferred, assigned or sold by the holder.

Our anchor investor purchased units in our initial public offering at a level of 9.9% of the units subject to our initial public offering. In addition, our sponsor has entered into a letter agreement with the anchor investor pursuant to which the anchor investor agreed to purchase membership interests in our sponsor, for the same consideration paid by the other members of the sponsor on a pro rata basis, entitling such investor to an indirect ownership interest in an aggregate of 635,625 founder shares and 780,000 placement warrants held by our sponsor, provided that the underwriters’ over-allotment option is exercised in full (which we refer to as the “anchor founder shares” and the “anchor placement warrants”, respectively). The anchor founder shares and the anchor placement warrants will be treated the same in all material respects as the founder shares held and the placement warrants to be held by our sponsor.

Pursuant to the letter agreement with our sponsor, the anchor investor has not been granted any material additional shareholder or other rights, and is only being issued membership interests in our sponsor with no right to control our sponsor or vote or dispose of the founder shares or placement warrants, as applicable (which will continue to be held by our sponsor until following our initial business combination). Further, the anchor investor is not required to: (i) hold any units, shares of common stock or warrants it purchased in our initial public offering or thereafter for any amount time, (ii) vote any shares of common stock it may beneficially own at the applicable time in favor of our initial business combination or (iii) refrain from exercising its right to redeem its shares of common stock included in the units purchased in our initial public offering at the time of our initial business combination. The purchases by the anchor investor of units in our initial public offering or our securities in the open market (or both) could potentially allow such investor to assert influence over our company, including with respect to our initial business combination.

No assurances can be given as to the amount of our securities the anchor investor may retain or purchase following our initial public offering at any time prior to or upon the consummation of our initial business combination. In the event that the anchor investor vote its securities in favor of our initial business combination, a smaller portion of affirmative votes from other public shareholders would be required to approve our initial business combination.

No compensation of any kind, including any finder’s fee, reimbursement, consulting fee or monies in respect of any payment of a loan, will be paid by us to our sponsor, officers and directors, or any affiliate of our sponsor or officers, prior to, or in connection with any services rendered in order to effectuate, the consummation of an initial business combination (regardless of the type of transaction that it is). However, these individuals will be reimbursed for any out-of-pocket expenses incurred in connection with activities on our behalf such as identifying potential target businesses and performing due diligence on suitable business combinations. We do not have a policy that prohibits our sponsor, executive officers or directors, or any of their respective affiliates, from negotiating for the reimbursement of out-of-pocket expenses by a target business. Our audit committee will review on a quarterly basis all payments that were made to our sponsor, officers, directors or our or any of their affiliates and will determine which expenses and the amount of expenses that will be reimbursed. There is no cap or ceiling on the reimbursement of out-of-pocket expenses incurred by such persons in connection with activities on our behalf.

The Company entered into an agreement commencing on September 1, 2021 to pay an affiliate of the Sponsor a sum of $7,500 per month, for consulting services for due diligence related to the business combination. For the year ended December 31 2021, the Company incurred $30,000, all of which is included in accrued expenses in the accompanying balance sheet as of December 31, 2021.

Prior to the closing of our initial public offering, our sponsor agreed to loan us up to an aggregate of $300,000 to be used for a portion of the expenses of our initial public offering. As of December 31, 2021, all repayment had been made. Borrowings are no longer available under such promissory note.

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In addition, in order to finance transaction costs in connection with an intended initial business combination, our sponsor or an affiliate of our sponsor or certain of our officers and directors may, but are not obligated to, loan us funds as may be required. If we complete an initial business combination, we would repay such loaned amounts. In the event that the initial business combination does not close, we may use a portion of the working capital held outside the trust account to repay such loaned amounts but no proceeds from our trust account would be used for such repayment. On January 21, 2022, we issued a promissory note in the in the principal amount of up to $1,500,000 to our sponsor and drew $462,500 under this arrangement. The note was issued in connection with advances the sponsor has made, and may make in the future, to us for working capital expenses. If we complete an initial business combination, we would repay the note out of the proceeds of the trust account released to us. Otherwise, the note would be repaid only out of funds held outside the trust account. In the event that a business combination does not close, we may use a portion of the working capital held outside the trust account to repay the note but no proceeds from the trust account would be used to repay the note. At the election of our sponsor, all or a portion of the unpaid principal amount of the note may be converted into warrants at a price of $1.00 per warrant (the “conversion warrants”). The conversion warrants are identical to the private placement warrants, including as to exercise price, exercisability and exercise period. The conversion warrants and their underlying securities are entitled to the registration rights set forth in the note.

We do not expect to seek loans from parties other than our sponsor or an affiliate of our sponsor as we do not believe third parties will be willing to loan such funds and provide a waiver against any and all rights to seek access to funds in our trust account.

Our executive offices are currently provided to us by an affiliate of our Chief Financial Officer at no charge until such time as we may enter into lease for office space with an unaffiliated third party.

After our initial business combination, members of our management team who remain with us may be paid consulting, management or other fees from the combined company with any and all amounts being fully disclosed to our stockholders, to the extent then known, in the proxy solicitation materials or tender offer documents, as applicable, furnished to our stockholders. It is unlikely the amount of such compensation will be known at the time of distribution of such proxy solicitation materials or tender offer documents, as applicable, as it will be up to the directors of the post-combination business to determine executive and director compensation.

On January 6, 2021, we entered into a registration rights agreement with respect to the private placement warrants, the warrants issuable upon conversion of working capital loans (if any) and the shares of Class A common stock issuable upon exercise of the foregoing and upon conversion of the founder shares.

**Policy for Approval of Related Party Transactions**

The audit committee of our board of directors has adopted a policy setting forth the policies and procedures for its review and approval or ratification of “related party transactions.” A “related party transaction” is any consummated or proposed transaction or series of transactions: (i) in which the company was or is to be a participant; (ii) the amount of which exceeds (or is reasonably expected to exceed) $120,000 in the aggregate over the duration of the transaction (without regard to profit or loss); and (iii) in which a “related party” had, has or will have a direct or indirect material interest. “Related parties” under this policy will include: (i) our directors, nominees for director or executive officers; (ii) any record or beneficial owner of more than 5% of any class of our voting securities; (iii) any immediate family member of any of the foregoing if the foregoing person is a natural person; and (iv) any other person who maybe a “related person” pursuant to Item 404 of Regulation S-K under the Exchange Act. Pursuant to the policy, the audit committee will consider (i) the relevant facts and circumstances of each related party transaction, including if the transaction is on terms comparable to those that could be obtained in arm’s-length dealings with an unrelated third party, (ii) the extent of the related party’s interest in the transaction, (iii) whether the transaction contravenes our code of ethics or other policies, (iv) whether the audit committee believes the relationship underlying the transaction to be in the best interests of the company and its stockholders and (v) the effect that the transaction may have on a director’s status as an independent member of the board and on his or her eligibility to serve on the board’s committees. Management will present to the audit committee each proposed related party transaction, including all relevant facts and circumstances relating thereto. Under the policy, we may consummate related party transactions only if our audit committee approves or ratifies the transaction in accordance with the guidelines set forth in the policy. The policy does not permit any director or executive officer to participate in the discussion of, or decision concerning, a related person transaction in which he or she is the related party.

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**Director Independence**

Nasdaq listing standards require that a majority of our board of directors be independent. An “independent director” is defined generally as a person other than an officer or employee of the company or its subsidiaries or any other individual having a relationship which in the opinion of the company’s board of directors, would interfere with the director’s exercise of independent judgment in carrying out the responsibilities of a director. Our board of directors has determined that Messrs. Rajagopalan, Rangaswami and Bailey are “independent directors” as defined in the Nasdaq listing standards and applicable SEC rules. Our independent directors will have regularly scheduled meetings at which only independent directors are present.

|  |  |  |
| --- | --- | --- |
|  | **Item 14*.*** | **Principal Accountant Fees and Services.** |

The following is a summary of fees paid or to be paid to Marcum, for services rendered.

*Audit Fees*. Audit fees consist of fees billed for professional services rendered for the audit of our year-end financial statements and services that are normally provided by Marcum in connection with regulatory filings. The aggregate fees billed by Marcum for professional services rendered for the audit of our annual financial statements, reviews of out unaudited interim financial statements, and other required filings with the SEC for the year ended December 31, 2021 and for the period from September 24, 2020 (inception) through December 31, 2020 totaled $107,665 and $15,450, respectively. The above amounts include interim procedures and audit fees, as well as attendance at audit committee meetings.

*Audit-Related Fees.* Audit-related services consist of fees billed for assurance and related services that are reasonably related to performance of the audit or review of our financial statements and are not reported under “Audit Fees.” These services include attest services that are not required by statute or regulation and consultations concerning financial accounting and reporting standards. We did not pay Marcum for consultations concerning financial accounting and reporting standards for the year ended December 31, 2021 and for the period from September 24, 2020 (inception) through December 31, 2020.

*Tax Fees*. We did not pay Marcum for tax planning and tax advice for the year ended December 31, 2021 and for the period from September 24, 2020 (inception) through December 31, 2020.

*All Other Fees*. We did not pay Marcum for other services for the year ended December 31, 2021 and for the period from September 24, 2020 (inception) through December 31, 2020.

**Pre-Approval Policy**

Our audit committee was formed upon the consummation of our Initial Public Offering. As a result, the audit committee did not pre-approve all of the foregoing services, although any services rendered prior to the formation of our audit committee were approved by our board of directors. Since the formation of our audit committee, and on a going-forward basis, the audit committee has and will pre-approve all auditing services and permitted non-audit services to be performed for us by our auditors, including the fees and terms thereof (subject to the de minimis exceptions for non-audit services described in the Exchange Act which are approved by the audit committee prior to the completion of the audit).

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**PART IV**

|  |  |  |
| --- | --- | --- |
|  | **Item 15.** | **Exhibits, Financial Statements and Financial Statement Schedules.** |

|  |  |  |
| --- | --- | --- |
|  | (a) | The following documents are filed as part of this Report: |

|  |  |  |
| --- | --- | --- |
|  | (1) | Financial Statements |

|  |  |
| --- | --- |
|  | **Page** |
| [Report of Independent Registered Public Accounting Firm](#a_001) | F-2 |
| [Balance Sheets](#a_002) | F-3 |
| [Statements of Operations](#a_003) | F-4 |
| [Statements of Changes in Stockholders’ (Deficit) Equity](#a_004) | F-5 |
| [Statements of Cash Flows](#a_005) | F-6 |
| [Notes to Financial Statements](#a_006) | F-7 to F-23 |

|  |  |  |
| --- | --- | --- |
|  | (2) | Financial Statements Schedule |

All financial statement schedules are omitted because they are not applicable or the amounts are immaterial and not required, or the required information is presented in the financial statements and notes beginning on F-1 on this Report.

|  |  |  |
| --- | --- | --- |
|  | (3) | Exhibits |

We hereby file as part of this Report the exhibits listed in the attached Exhibit Index. Exhibits which are incorporated herein by reference can be inspected and copied at the public reference facilities maintained by the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Copies of such material can also be obtained from the Public Reference Section of the SEC, 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates or on the SEC website at www.sec.gov.

|  |  |
| --- | --- |
| **Item 16.** | **Form 10-K Summary.** |

Not applicable.

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**KLUDEIN I ACQUISITION CORP.**

**INDEX TO FINANCIAL STATEMENTS**

|  |  |
| --- | --- |
| [Report of Independent Registered Public Accounting Firm (PCAOB Firm ID# 688)](#a_001) | F-2 |
| Financial Statements: |  |
| [Balance Sheets](#a_002) | F-3 |
| [Statements of Operations](#a_003) | F-4 |
| [Statements of Changes in Stockholders’ (Deficit) Equity](#a_004) | F-5 |
| [Statements of Cash Flows](#a_005) | F-6 |
| [Notes to Financial Statements](#a_006) | F-7 to F-23 |

F-1

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Stockholders and the Board of Directors of

KludeIn I Acquisition Corp.

**Opinion on the Financial Statements**

We have audited the accompanying balance sheets of KludeIn I Acquisition Corp. (the “Company”) as of December 31, 2021 and 2020, the related statements of operations, changes in stockholders’ (deficit) equity and cash flows for the year ended December 31, 2021 and for the period from September 24, 2020 (inception) through December 31, 2020, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the year ended December 31, 2021 and for the period from September 24, 2020 (inception) through December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

**Explanatory Paragraph – Going Concern**

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As more fully described in Note 1 to the financial statements, the Company has until July 11, 2022 to complete a business combination or the Company will cease all operations except for the purpose of liquidating. Further, the Company’s cash and working capital as of December 31, 2021 are not sufficient to complete its planned activities for a reasonable period of time, which is considered to be one year from the issuance date of the financial statements. These conditions raise substantial doubt about the Company’s ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**Basis for Opinion**

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Marcum llp

Marcum llp

We have served as the Company’s auditor since 2020.

Hartford, CT

April 11, 2022

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**KLUDEIN I ACQUISITION CORP.**

**BALANCE SHEETS**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **December 31, 2021** | |  |  | **December 31, 2020** | |  |
|  |  |  | |  |  |  | |  |
| **ASSETS** |  |  | |  |  |  | |  |
| Current assets |  |  | |  |  |  | |  |
| Cash |  | $ | 400,073 |  |  | $ | 1,000 |  |
| Total Current Assets |  |  | 400,073 |  |  |  | 1,000 |  |
|  |  |  |  |  |  |  |  |  |
| Deferred offering costs |  |  | — |  |  |  | 177,644 |  |
| Cash and marketable securities held in Trust Account |  |  | 172,580,609 |  |  |  | — |  |
| **TOTAL ASSETS** |  | **$** | **172,980,682** |  |  | **$** | **178,644** |  |
|  |  |  |  |  |  |  |  |  |
| **LIABILITIES AND STOCKHOLDERS’ (DEFICIT) EQUITY** |  |  |  |  |  |  |  |  |
| Current liabilities |  |  |  |  |  |  |  |  |
| Accounts payable and accrued expenses |  | $ | 637,375 |  |  | $ | 1,132 |  |
| Accrued offering costs |  |  | — |  |  |  | 69,500 |  |
| Due to Sponsor |  |  | — |  |  |  | 1,000 |  |
| Promissory note – related party |  |  | — |  |  |  | 83,905 |  |
| Total Current Liabilities |  |  | 637,375 |  |  |  | 155,537 |  |
|  |  |  |  |  |  |  |  |  |
| Warrant liabilities |  |  | 8,311,710 |  |  |  | — |  |
| Deferred underwriting fee payable |  |  | 6,037,500 |  |  |  | — |  |
| **Total Liabilities** |  |  | **14,986,585** |  |  |  | **155,537** |  |
|  |  |  |  |  |  |  |  |  |
| **Commitments and contingencies** |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| Class A common stock subject to possible redemption; 17,250,000 and no shares at redemption value of $10 as of December 31, 2021 and 2020, respectively |  |  | 172,500,000 |  |  |  | — |  |
|  |  |  |  |  |  |  |  |  |
| **Stockholders’ (Deficit) Equity** |  |  |  |  |  |  |  |  |
| Preferred stock, $0.0001 par value; 1,000,000 shares authorized; none issued or outstanding |  |  | — |  |  |  | — |  |
| Class A common stock, $0.0001 par value; 280,000,000 shares authorized; none issued or outstanding (excluding 17,250,000 and no shares subject to possible redemption at December 31, 2021 and 2020, respectively) |  |  | — |  |  |  | — |  |
| Class B common stock, $0.0001 par value; 20,000,000 shares authorized; 4,312,500 shares issued and outstanding as of December 31, 2021 and 2020 |  |  | 431 |  |  |  | 431 |  |
| Additional paid-in capital |  |  | — |  |  |  | 24,569 |  |
| Accumulated deficit |  |  | (14,506,334 | ) |  |  | (1,893 | ) |
| **Total Stockholders’ (Deficit) Equity** |  |  | **(14,505,903** | **)** |  |  | **23,107** |  |
| **TOTAL LIABILITIES AND STOCKHOLDERS’ (DEFICIT) EQUITY** |  | **$** | **172,980,682** |  |  | **$** | **178,644** |  |

*The accompanying notes are an integral part of the financial statements.*

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**KLUDEIN I ACQUISITION CORP.**

**STATEMENTS OF OPERATIONS**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Year Ended**  **December 31,** | |  |  | **For the Period from September 24,  2020 (Inception) through**  **December 31,** | |  |
|  |  | **2021** | |  |  | **2020** | |  |
|  |  |  | |  |  |  | |  |
| Formation and operational costs |  | $ | 1,605,912 |  |  | $ | 1,893 |  |
| **Loss from operations** |  |  | **(1,605,912** | **)** |  |  | **(1,893** | **)** |
|  |  |  |  |  |  |  |  |  |
| Other income (expense): |  |  |  |  |  |  |  |  |
| Transaction costs allocated to warrants |  |  | (523,013 | ) |  |  | — |  |
| Change in fair value of warrant liabilities |  |  | 1,642,290 |  |  |  | — |  |
| Interest earned on marketable securities held in Trust Account |  |  | 78,398 |  |  |  | — |  |
| Unrealized gain on marketable securities held in Trust Account |  |  | 2,211 |  |  |  | — |  |
| Total other income, net |  |  | 1,199,886 |  |  |  | — |  |
|  |  |  |  |  |  |  |  |  |
| **Net loss** |  | **$** | **(406,026** | **)** |  | **$** | **(1,893** | **)** |
|  |  |  |  |  |  |  |  |  |
| Basic and diluted weighted average shares outstanding, Class A common stock |  |  | 16,776,099 |  |  |  | — |  |
| **Basic and diluted net loss per share, Class A common stock** |  | **$** | **(0.02** | **)** |  | $ | — |  |
|  |  |  |  |  |  |  |  |  |
| Basic and diluted weighted average shares outstanding, Class B common stock |  |  | 4,297,047 |  |  |  | 3,750,000 |  |
| **Basic and diluted net loss per share, Class B common stock** |  | **$** | **(0.02** | **)** |  | $ | (0.00 | ) |

*The accompanying notes are an integral part of the financial statements.*

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**KLUDEIN I ACQUISITION CORP.**

**STATEMENTS OF CHANGES IN STOCKHOLDERS’ (DEFICIT) EQUITY**

**FOR THE YEAR ENDED DECEMBER 31, 2021 AND FOR THE PERIOD FROM SEPTEMBER 24, 2020 (INCEPTION) THROUGH DECEMBER 31, 2020**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Class B Common Stock** | | | | | |  |  | **Additional Paid-in** | |  |  | **Accumulated** | |  |  | **Total Stockholders’ (Deficit)** | |  |
|  |  | **Shares** | |  |  | **Amount** | |  |  | **Capital** | |  |  | **Deficit** | |  |  | **Equity** | |  |
| **Balance – September 24, 2020 (inception)** |  |  | — |  |  | $ | — |  |  | $ | — |  |  | $ | — |  |  | $ | — |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Issuance of Class B common stock to Sponsor |  |  | 4,312,500 |  |  |  | 431 |  |  |  | 24,569 |  |  |  | — |  |  |  | 25,000 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net loss |  |  | — |  |  |  | — |  |  |  | — |  |  |  | (1,893 | ) |  |  | (1,893 | ) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Balance – December 31, 2020** |  |  | **4,312,500** |  |  |  | **431** |  |  |  | **24,569** |  |  |  | **(1,893** | **)** |  |  | **23,107** |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash paid in excess of fair value for Private Placement Warrants |  |  | — |  |  |  | — |  |  |  | 1,456,000 |  |  |  | — |  |  |  | 1,456,000 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Fair value of Founders Shares attributable to Anchor Investor |  |  | — |  |  |  | — |  |  |  | 4,411,238 |  |  |  | — |  |  |  | 4,411,238 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Re-measurement of Class A common stock to redemption amount |  |  | — |  |  |  | — |  |  |  | (5,891,807 | ) |  |  | (14,098,415 | ) |  |  | (19,990,222 | ) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net loss |  |  | — |  |  |  | — |  |  |  | — |  |  |  | (406,026 | ) |  |  | (406,026 | ) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Balance – December 31, 2021** |  |  | 4,312,500 |  |  | $ | 431 |  |  | $ | — |  |  | $ | (14,506,334 | ) |  | $ | (14,505,903 | ) |

*The accompanying notes are an integral part of the financial statements.*

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**KLUDEIN I ACQUISITION CORP.**

**STATEMENTS OF CASH FLOWS**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Year Ended December 31, 2021** | |  |  | **For The Period From September 24, 2020 (Inception) Through December 31, 2020** | |  |
|  |  |  | |  |  |  | |  |
|  |  |  | |  |  |  | |  |
| **Cash Flows from Operating Activities:** |  |  |  |  |  |  |  |  |
| Net loss |  | $ | (406,026 | ) |  | $ | (1,893 | ) |
| Adjustments to reconcile net loss to net cash (used in) provided by operating activities: |  |  |  |  |  |  |  |  |
| Formation cost paid by Sponsor through promissory note |  |  | — |  |  |  | 761 |  |
| Interest earned on marketable securities held in Trust Account |  |  | (78,398 | ) |  |  | — |  |
| Unrealized gain on marketable securities held in Trust Account |  |  | (2,211 | ) |  |  | — |  |
| Change in fair value of warrant liabilities |  |  | (1,642,290 | ) |  |  | — |  |
| Transaction costs allocated to warrants |  |  | 523,013 |  |  |  | — |  |
| Changes in operating assets and liabilities: |  |  |  |  |  |  |  |  |
| Accounts payable and accrued expenses |  |  | 636,243 |  |  |  | 1,132 |  |
| Due to Sponsor |  |  | (1,000 | ) |  |  | 1,000 |  |
| **Net cash (used in) provided by operating activities** |  |  | **(970,669** | **)** |  |  | **1,000** |  |
|  |  |  |  |  |  |  |  |  |
| **Cash Flows from Investing Activities:** |  |  |  |  |  |  |  |  |
| Investment of cash in Trust Account |  |  | (172,500,000 | ) |  |  | — |  |
| **Net cash used in investing activities** |  |  | **(172,500,000** | **)** |  |  | **—** |  |
|  |  |  |  |  |  |  |  |  |
| **Cash Flows from Financing Activities:** |  |  |  |  |  |  |  |  |
| Proceeds from sale of Units, net of underwriting discounts paid |  |  | 169,049,999 |  |  |  | — |  |
| Proceeds from sale of Private Placement Warrants |  |  | 5,200,000 |  |  |  | — |  |
| Proceeds from promissory note – related party |  |  | 5,000 |  |  |  | — |  |
| Repayment of promissory note – related party |  |  | (88,905 | ) |  |  | — |  |
| Payment of offering costs |  |  | (296,352 | ) |  |  | — |  |
| **Net cash provided by financing activities** |  |  | **173,869,742** |  |  |  | **—** |  |
|  |  |  |  |  |  |  |  |  |
| **Net Change in Cash** |  |  | **399,073** |  |  |  | **1,000** |  |
| Cash – Beginning of period |  |  | 1,000 |  |  |  | — |  |
| **Cash – End of period** |  | **$** | **400,073** |  |  | **$** | **1,000** |  |
|  |  |  |  |  |  |  |  |  |
| **Non-Cash investing and financing activities:** |  |  |  |  |  |  |  |  |
| Offering costs included in accrued offering costs |  | $ | — |  |  | $ | 69,500 |  |
| Offering costs paid by Sponsor in exchange for issuance of founder shares |  | $ | — |  |  | $ | 25,000 |  |
| Deferred offering costs paid through promissory note |  | $ | — |  |  | $ | 83,144 |  |
| Fair value of Founder Shares attributable to Anchor Investor |  | $ | 4,411,238 |  |  | $ | — |  |
| Remeasurement of Class A common stock subject to possible redemption |  | $ | 19,990,222 |  |  | $ | — |  |

*The accompanying notes are an integral part of the financial statements.*

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**KLUDEIN I ACQUISITION CORP.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 — DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS**

KludeIn I Acquisition Corp. (the “Company”) is a blank check company incorporated in Delaware on September 24, 2020. The Company was formed for the purpose of effectuating a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or other similar business combination with one or more businesses (the “Business Combination”). The Company is an early stage and emerging growth company and, as such, the Company is subject to all of the risks associated with early stage and emerging growth companies.

As of December 31, 2021, the Company had not commenced any operations. All activity through December 31, 2021 relates to the Company’s formation and the initial public offering (the “Initial Public Offering”), which is described below, and subsequent to the Initial Public Offering, identifying a target company for a Business Combination. The Company will not generate any operating revenues until after the completion of a Business Combination, at the earliest. The Company generates non-operating income in the form of interest income and unrealized gains from the marketable securities held in the Trust Account (as defined below), and gains or losses from the change in fair value of the warrant liabilities.

The registration statement for the Company’s Initial Public Offering was declared effective on January 6, 2021. On January 11, 2021, the Company consummated the Initial Public Offering of 17,250,000 units (the “Units” and, with respect to the shares of Class A common stock included in the Units sold, the “Public Shares”), which includes the full exercise by the underwriter of its over-allotment option in the amount of 2,250,000 Units, at $10.00 per Unit, generating gross proceeds of $172,500,000, which is described in Note 4.

Simultaneously with the closing of the Initial Public Offering, the Company consummated the sale of 5,200,000 warrants (each, a “Private Placement Warrant” and, collectively, the “Private Placement Warrants”) at a price of $1.00 per Private Placement Warrant in a private placement to KludeIn Prime LLC (the “Sponsor”), generating gross proceeds of $5,200,000, which is described in Note 5.

We incurred $14,303,235 in transaction costs, including $3,450,000 of underwriting fees, $6,037,500 of deferred underwriting fees, $4,411,238 of fair value of the Founder Shares attributable to the Anchor Investor and $404,497 of other offering costs. Transaction costs allocated to the warrants were $523,013 and were expensed in the accompanying statement of operations for the year ended December 31, 2021.

Following the closing of the Initial Public Offering on January 11, 2021, an amount of $172,500,000 ($10.00 per Unit) from the net proceeds of the sale of the Units in the Initial Public Offering and the sale of the Private Placement Warrants was placed in a trust account (the “Trust Account”), invested in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act, with a maturity of 185 days or less, or in any open-ended investment company that holds itself out as a money market fund meeting the conditions of Rule 2a-7 of the Investment Company Act of 1940, as amended (the “Investment Company Act”), as determined by the Company, until the earlier of: (i) the consummation of a Business Combination or (ii) the distribution of the funds in the Trust Account to the Company’s stockholders, as described below.

The Company’s management has broad discretion with respect to the specific application of the net proceeds of the Initial Public Offering and the sale of the Private Placement Warrants, although substantially all of the net proceeds are intended to be applied generally toward consummating a Business Combination. NASDAQ rules provide that the Business Combination must be with one or more target businesses that together have a fair market value equal to at least 80% of the balance in the Trust Account (less any deferred underwriting commissions and taxes payable on interest earned on the Trust Account) at the time of the signing a definitive agreement to enter into a Business Combination. The Company will only complete a Business Combination if the post-Business Combination company owns or acquires 50% or more of the outstanding voting securities of the target or otherwise acquires a controlling interest in the target sufficient for it not to be required to register as an investment company under the Investment Company Act. There is no assurance that the Company will be able to successfully effect a Business Combination.

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**KLUDEIN I ACQUISITION CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

The Company will provide its holders of the outstanding Public Shares (the “public stockholders”) with the opportunity to redeem all or a portion of their Public Shares upon the completion of a Business Combination either (i) in connection with a stockholder meeting called to approve the Business Combination or (ii) by means of a tender offer. The decision as to whether the Company will seek stockholder approval of a Business Combination or conduct a tender offer will be made by the Company, solely in its discretion. The public stockholders will be entitled to redeem their Public Shares for a pro rata portion of the amount then in the Trust Account (initially anticipated to be $10.00 per Public Share, plus any pro rata interest earned on the funds held in the Trust Account and not previously released to the Company to pay its tax obligations). There will be no redemption rights upon the completion of a Business Combination with respect to the Company’s warrants.

The Company will proceed with a Business Combination only if the Company has net tangible assets of at least $5,000,001 either prior to or upon such consummation of a Business Combination and, if the Company seeks stockholder approval, a majority of the shares voted are voted in favor of the Business Combination. If a stockholder vote is not required by law and the Company does not decide to hold a stockholder vote for business or other reasons, the Company will, pursuant to its Amended and Restated Certificate of Incorporation (the “Amended and Restated Certificate of Incorporation”), conduct the redemptions pursuant to the tender offer rules of the U.S. Securities and Exchange Commission (“SEC”) and file tender offer documents with the SEC prior to completing a Business Combination. If, however, stockholder approval of the transaction is required by law, or the Company decides to obtain stockholder approval for business or other reasons, the Company will offer to redeem the Public Shares in conjunction with a proxy solicitation pursuant to the proxy rules and not pursuant to the tender offer rules. If the Company seeks stockholder approval in connection with a Business Combination, the Sponsor has agreed to vote its Founder Shares (as defined in Note 6) and any Public Shares purchased during or after the Initial Public Offering in favor of approving a Business Combination. Additionally, each public stockholder may elect to redeem their Public Shares, without voting, and if they do vote, irrespective of whether they vote for or against the proposed Business Combination.

Notwithstanding the above, if the Company seeks stockholder approval of a Business Combination and it does not conduct redemptions pursuant to the tender offer rules, the Amended and Restated Certificate of Incorporation provides that a public stockholder, together with any affiliate of such stockholder or any other person with whom such stockholder is acting in concert or as a “group” (as defined under Section 13 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), will be restricted from redeeming its Public Shares with respect to more than an aggregate of 15% or more of the Public Shares, without the prior consent of the Company.

The Sponsor has agreed (a) to waive its redemption rights with respect to its Founder Shares and Public Shares held by it in connection with the completion of a Business Combination, (b) to waive its liquidation rights with respect to the Founder Shares if the Company fails to complete a Business Combination by July 11, 2022 and (c) not to propose an amendment to the Amended and Restated Certificate of Incorporation (i) to modify the substance or timing of the Company’s obligation to allow redemption in connection with the Company’s initial Business Combination or to redeem 100% of its Public Shares if the Company does not complete a Business Combination or (ii) with respect to any other provision relating to stockholders’ rights or pre-initial business combination activity, unless the Company provides the public stockholders with the opportunity to redeem their Public Shares in conjunction with any such amendment.

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**KLUDEIN I ACQUISITION CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

The Company will have until July 11, 2022 to complete a Business Combination (the “Combination Period”). If the Company is unable to complete a Business Combination within the Combination Period, the Company will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account including interest earned on the funds held in the Trust Account and not previously released to the Company to pay its tax obligations (less up to $100,000 of interest to pay dissolution expenses), divided by the number of then outstanding Public Shares, which redemption will completely extinguish public stockholders’ rights as stockholders (including the right to receive further liquidating distributions, if any), and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the Company’s remaining stockholders and the Company’s board of directors, dissolve and liquidate, subject in each case to the Company’s obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law. There will be no redemption rights or liquidating distributions with respect to the Company’s warrants, which will expire worthless if the Company fails to complete a Business Combination within the Combination Period.

The Sponsor has agreed to waive its liquidation rights with respect to the Founder Shares if the Company fails to complete a Business Combination within the Combination Period. However, if the Sponsor acquires Public Shares in or after the Initial Public Offering, such Public Shares will be entitled to liquidating distributions from the Trust Account if the Company fails to complete a Business Combination within the Combination Period. The underwriters have agreed to waive their rights to their deferred underwriting commission (see Note 7) held in the Trust Account in the event the Company does not complete a Business Combination within the Combination Period and, in such event, such amounts will be included with the other funds held in the Trust Account that will be available to fund the redemption of the Public Shares. In the event of such distribution, it is possible that the per share value of the assets remaining available for distribution will be less than the Initial Public Offering price per Unit ($10.00).

In order to protect the amounts held in the Trust Account, the Sponsor has agreed to be liable to the Company if and to the extent any claims by a third party for services rendered or products sold to the Company, or a prospective target business with which the Company has discussed entering into a transaction agreement, reduce the amount of funds in the Trust Account to below (1) $10.00 per Public Share or (2) the actual amount per Public Share held in the Trust Account as of the date of the liquidation of the Trust Account due to reductions in the value of the trust assets, in each case net of the interest which may be withdrawn to pay our taxes. This liability will not apply with respect to any claims by a third party who executed a waiver of any and all rights to seek access to the Trust Account and except as to any claims under the Company’s indemnity of the underwriters of the Initial Public Offering against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the “Securities Act”). Moreover, in the event that an executed waiver is deemed to be unenforceable against a third party, the Sponsor will not be responsible to the extent of any liability for such third-party claims. The Company will seek to reduce the possibility that the Sponsor will have to indemnify the Trust Account due to claims of creditors by endeavoring to have all vendors, service providers (except the Company’s independent registered public accounting firm), prospective target businesses or other entities with which the Company does business, execute agreements with the Company waiving any right, title, interest or claim of any kind in or to monies held in the Trust Account.

***Liquidity and Going Concern***

As of December 31, 2021, the Company had $400,073 in its operating bank accounts, $172,580,609 in securities held in the Trust Account to be used for a Business Combination or to repurchase or redeem its common stock in connection therewith and working capital deficit of $156,693, which excludes interest earned in the Trust Account as such amount can be used to pay franchise and income taxes payable. As of December 31, 2021, approximately $80,000 of the amount on deposit in the Trust Account represented interest income, which is available to pay the Company’s tax obligations.

Until the consummation of a Business Combination, the Company has used and will be using the funds not held in the Trust Account for identifying and evaluating prospective acquisition candidates, performing due diligence on prospective target businesses, paying for travel expenditures, selecting the target business to acquire, and structuring, negotiating and consummating the Business Combination.

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**KLUDEIN I ACQUISITION CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

In order to fund working capital deficiencies or finance transaction costs in connection with a Business Combination, our Sponsors or an affiliate of our Sponsors or certain of our officers and directors may, but are not obligated to, loan us funds as may be required (“Working Capital Loans”). Such Working Capital Loans would be evidenced by promissory notes. If we complete a Business Combination, we may repay the notes out of the proceeds of the Trust Account released to us. In the event that a Business Combination does not close, we may use a portion of the working capital held outside the Trust Account to repay the notes, but no proceeds from our Trust Account would be used for such repayment. On January 21, 2022, the Company issued a Working Capital Loan in the principal amount of up to $1,500,000 to the Sponsor. On January 31, 2022, the Company drew $350,000 on the Working Capital Loan. On April 1, 2022, the Company drew an additional $112,500 on the Working Capital Loan. The Working Capital Loan is non-interest bearing and payable upon the consummation of a Business Combination or may be convertible into warrants of the post-Business Combination entity at a price of $1.00 per warrant. The warrants would be identical to the Private Placement Warrants (Note 10).

In connection with the Company’s assessment of going concern considerations in accordance with Financial Accounting Standards Board’s Accounting Standards Codification Topic 205-40, “Presentation of Financial Statements – Going Concern,” the Company has until July 11, 2022, to consummate an initial business combination. It is uncertain that the Company will be able to consummate an initial business combination by this time. If an initial business combination is not consummated by this date, there will be a mandatory liquidation and subsequent dissolution of the Company. Additionally, the Company may not have sufficient liquidity to fund the working capital needs of the Company through one year from the issuance of these financial statements. Management has determined that the liquidity condition and mandatory liquidation, should an initial business combination not occur, and potential subsequent dissolution raises substantial doubt about the Company’s ability to continue as a going concern. No adjustments have been made to the carrying amounts of assets or liabilities should the Company be required to liquidate after July 11, 2022.

***Risks and Uncertainties***

Management continues to evaluate the impact of the COVID-19 pandemic and has concluded that while it is reasonably possible that the virus could have a negative effect on the Company’s financial position, results of its operations and/or search for a target company, the specific impact is not readily determinable as of the date of the financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**NOTE 2 — RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS**

In connection with the preparation of the Company’s audited financial statements as of December 31, 2021, the Company discovered an uncorrected error, and concluded it should restate its previously issued financial statements to properly record the Founders Shares attributable to the Anchor Investor, as defined in Note 6.

In connection with the closing of the Initial Public Offering, the Anchor Investor acquired from the Sponsor an indirect economic interest in an aggregate of 635,625 Founder Shares at the original purchase price that the Sponsor paid for the Founder Shares. The Sponsor has agreed to distribute such Founder Shares to the Anchor Investor after the completion of a Business Combination. The Company estimated the aggregate fair value of the Founder Shares attributable to the Anchor Investor to be $4,411,238, or $6.94 per share. The excess of the fair value of the Founder Shares was determined to be an offering cost in accordance with Staff Accounting Bulletin Topic 5A and Topic 5T. As a result, the offering costs should be allocated to the separable financial instruments issued in the Initial Public Offering using the with-and-without method, compared to total proceeds received. Offering costs related to the Founder Shares amounted to a contribution to additional paid-in capital of $4,411,238, of which $158,805 should be expensed to the statements of operations and included in transaction costs attributable to warrant liabilities and the remaining $4,252,433 should be recorded as an additional offering cost as a reduction of temporary equity, and re-measured to accumulated deficit upon recording temporary equity at redemption value.

Therefore, in accordance with SEC Staff Accounting Bulletin No. 99, “Materiality,” and SEC Staff Accounting Bulletin No. 108, “Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements,” the Company re-evaluated the changes and has determined that the related impact was material to certain of its previously issued financial statements. Therefore, the Company, in consultation with its Audit Committee, concluded that these previously issued financial statements should be restated. As such, the Company is reporting these restatements to those previously issued financial statements in this Annual Report.

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**KLUDEIN I ACQUISITION CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

The impact of the restatements noted above on the Company’s previously issued financial statements is reflected as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **As Previously Reported in Form 10-Q/A for the Quarter ended September 30,  2021** | |  |  | **Adjustment** | |  |  | **As Restated** | |  |
| **Condensed Statement of Operations for the Three Months Ended March 31, 2021 (unaudited)** |  |  | |  |  |  | |  |  |  | |  |
| Transaction costs allocated to warrants |  | $ | (364,208 | ) |  | $ | (158,805 | ) |  | $ | (523,013 | ) |
| Net income |  | $ | 1,546,905 |  |  | $ | (158,805 | ) |  | $ | 1,388,100 |  |
| Basic and diluted net income per share, Class A common stock |  | $ | 0.08 |  |  | $ | (0.01 | ) |  | $ | 0.07 |  |
| Basic and diluted net income per share, Class B common Stock |  | $ | 0.08 |  |  | $ | (0.01 | ) |  | $ | 0.07 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Condensed Statement of Operations for the Six Months Ended June 30, 2021 (unaudited)** |  |  |  |  |  |  |  |  |  |  |  |  |
| Transaction costs allocated to warrants |  | $ | (364,208 | ) |  | $ | (158,805 | ) |  | $ | (523,013 | ) |
| Net loss |  | $ | (1,300,362 | ) |  | $ | (158,805 | ) |  | $ | (1,459,167 | ) |
| Basic and diluted net loss per share, Class A common stock |  | $ | (0.06 | ) |  | $ | (0.01 | ) |  | $ | (0.07 | ) |
| Basic and diluted net loss per share, Class B common Stock |  | $ | (0.06 | ) |  | $ | (0.01 | ) |  | $ | (0.07 | ) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Condensed Statement of Operations for the Nine Months Ended September 30, 2021 (unaudited)** |  |  |  |  |  |  |  |  |  |  |  |  |
| Transaction costs allocated to warrants |  | $ | (364,208 | ) |  | $ | (158,805 | ) |  | $ | (523,013 | ) |
| Net loss |  | $ | (275,234 | ) |  | $ | (158,805 | ) |  | $ | (434,039 | ) |
| Basic and diluted net loss per share, Class A common stock |  | $ | (0.01 | ) |  | $ | (0.01 | ) |  | $ | (0.02 | ) |
| Basic and diluted net loss per share, Class B common Stock |  | $ | (0.01 | ) |  | $ | (0.01 | ) |  | $ | (0.02 | ) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Condensed Statement of Cash Flows for the Three Months Ended March 31, 2021 (unaudited)** |  |  |  |  |  |  |  |  |  |  |  |  |
| Net income |  | $ | 1,546,905 |  |  | $ | (158,805 | ) |  | $ | 1,388,100 |  |
| Transaction costs allocated to warrants |  | $ | 364,208 |  |  | $ | 158,805 |  |  | $ | 523,013 |  |
| Fair value of Founder Shares attributable to Anchor Investor |  | $ | — |  |  | $ | 4,411,238 |  |  | $ | 4,411,238 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Condensed Statement of Cash Flows for the Six Months Ended June 30, 2021 (unaudited)** |  |  |  |  |  |  |  |  |  |  |  |  |
| Net loss |  | $ | (1,300,362 | ) |  | $ | (158,805 | ) |  | $ | (1,459,167 | ) |
| Transaction costs allocated to warrants |  | $ | 364,208 |  |  | $ | 158,805 |  |  | $ | 523,013 |  |
| Fair value of Founder Shares attributable to Anchor Investor |  | $ | — |  |  | $ | 4,411,238 |  |  | $ | 4,411,238 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Condensed Statement of Cash Flows for the Nine Months Ended September 30, 2021 (unaudited)** |  |  |  |  |  |  |  |  |  |  |  |  |
| Net loss |  | $ | (275,234 | ) |  | $ | (158,805 | ) |  | $ | (434,039 | ) |
| Transaction costs allocated to warrants |  | $ | 364,208 |  |  | $ | 158,805 |  |  | $ | 523,013 |  |
| Fair value of Founder Shares attributable to Anchor Investor |  | $ | — |  |  | $ | 4,411,237 |  |  | $ | 4,411,238 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Condensed Statement of Changes in Stockholders’ Equity (Deficit) for the Three Months Ended March 31, 2021 (unaudited)** |  |  |  |  |  |  |  |  |  |  |  |  |
| Fair value of Founder Shares attributable to Anchor Investor |  | $ | — |  |  | $ | 4,411,238 |  |  | $ | 4,411,238 |  |
| Re-measurement of Class A Common Stock to redemption amount |  | $ | (15,737,789 | ) |  | $ | (4,252,433 | ) |  | $ | (19,990,222 | ) |
| Net Income |  | $ | 1,546,905 |  |  | $ | (158,805 | ) |  | $ | 1,388,100 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Condensed Statement of Changes in Stockholders’ Equity (Deficit) for the Six Months Ended June 30, 2021 (unaudited)** |  |  |  |  |  |  |  |  |  |  |  |  |
| Fair value of Founder Shares attributable to Anchor Investor |  | $ | — |  |  | $ | 4,411,238 |  |  | $ | 4,411,238 |  |
| Re-measurement of Class A Common Stock to redemption amount |  | $ | (15,737,789 | ) |  | $ | (4,252,433 | ) |  | $ | (19,990,222 | ) |
| Net loss |  | $ | (1,300,362 | ) |  | $ | (158,805 | ) |  | $ | (1,459,167 | ) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Condensed Statement of Changes in Stockholders’ Equity (Deficit) for the Nine Months Ended September 30, 2021 (unaudited)** |  |  |  |  |  |  |  |  |  |  |  |  |
| Fair value of Founder Shares attributable to Anchor Investor |  | $ | — |  |  | $ | 4,411,238 |  |  | $ | 4,411,238 |  |
| Re-measurement of Class A Common Stock to redemption amount |  | $ | (15,737,789 | ) |  | $ | (4,252,433 | ) |  | $ | (19,990,222 | ) |
| Net loss |  | $ | (275,234 | ) |  | $ | (158,805 | ) |  | $ | (434,039 | ) |

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**KLUDEIN I ACQUISITION CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

**NOTE 3 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and pursuant to the rules and regulations of the SEC.

***Emerging Growth Company***

The Company is an “emerging growth company,” as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the independent public accounting firm attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company’s financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

***Use of Estimates***

The preparation of financial statements in conformity with U.S. GAAP requires the Company’s management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting periods.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate, could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ significantly from those estimates.

***Cash and Cash Equivalents***

The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents. The Company did not have any cash equivalents as of December 31, 2021 and 2020.

***Marketable Securities Held in Trust Account***

The Company classifies its U.S. Treasury and equivalent securities as held-to-maturity in accordance with Accounting Standard Codification (“ASC”) Topic 320 “Investments - Debt and Equity Securities.” Held-to-maturity securities are those securities which the Company has the ability and intent to hold until maturity. Held-to-maturity treasury securities are recorded at amortized cost on the accompanying balance sheets and adjusted for the amortization or accretion of premiums or discounts.

At December 31, 2021, substantially all of the assets held in the Trust Account were invested primarily in U.S. Treasury securities, which were presented at amortized cost on the balance sheet. At December 31, 2020, there were no assets held in the Trust Account.

***Class A Common Stock Subject to Possible Redemption***

The Company accounts for its Class A common stock subject to possible redemption in accordance with the guidance in ASC Topic 480, “Distinguishing Liabilities from Equity.” Class A common stock subject to mandatory redemption is classified as a liability instrument and is measured at fair value. Conditionally redeemable common stock (including Class A common stock that features redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company’s control) is classified as temporary equity. At all other times, common stock is classified as stockholders’ equity. The Company’s common stock features certain redemption rights that are considered to be outside of the Company’s control and subject to occurrence of uncertain future events. Accordingly, Class A common stock subject to possible redemption is presented at redemption value as temporary equity, outside of the stockholders’ equity section of the Company’s balance sheets.

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**KLUDEIN I ACQUISITION CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

The Company recognizes changes in redemption value immediately as they occur and adjusts the carrying value of redeemable common stock to equal the redemption value at the end of each reporting period. Immediately upon the closing of the Initial Public Offering, the Company recognized the re-measurement from initial carrying value to redemption amount, which approximates fair value. The change in the carrying value of redeemable Class A common stock resulted in charges against additional paid-in capital (to the extent available), accumulated deficit and Class A Common Stock.

At December 31, 2021, the shares of Class A common stock reflected in the balance sheet as temporary equity were reconciled in the following table:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Gross proceeds for the Initial Public Offering |  | $ | 172,500,000 |  |
| Less: |  |  |  |  |
| Proceeds allocated to the fair value of Public Warrants |  |  | (6,210,000 | ) |
| Class A common stock issuance costs |  |  | (9,527,789 | ) |
| Fair value of Founder Shares attributable to Anchor Investor allocated to redeemable Class A common stock |  |  | (4,252,433 | ) |
| Plus: |  |  |  |  |
| Re-measurement of carrying value to redemption value |  |  | 19,990,222 |  |
|  |  |  |  |  |
| Class A common stock subject to possible redemption |  | $ | 172,500,000 |  |

***Warrant Liabilities***

The Company does not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant’s specific terms and applicable authoritative guidance in ASC 480, and ASC 815, “Derivatives and Hedging” (“ASC 815”). The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company’s own shares of common stock, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding.

For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, the warrants are required to be recorded at their initial fair value on the date of issuance, and each balance sheet date thereafter. Changes in the estimated fair value of the warrants are recognized as a non-cash gain or loss on the statements of operations. For the Private Placement Warrants, the fair value was estimated using a binomial lattice model incorporating the Cox-Ross-Rubenstein methodology at the closing date of Initial Public Offering and as of December 31, 2021 (see Note 11). For the public warrants, the fair value was estimated using a binomial lattice model incorporating the Cox-Ross-Rubenstein methodology at the closing date of Initial Public Offering and the level 1 quoted prices in an active market as of December 31, 2021 (see Note 11).

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**KLUDEIN I ACQUISITION CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

***Allocation of issuance costs***

The Company accounts for the allocation of its issuance costs to its warrants using the guidance in ASC Topic 470-20, “Debt with Conversion and Other Options” (“ASC 470-20), applied by analogy. Under this guidance, if debt or stock is issued with detachable warrants, the proceeds need to be allocated to the two instruments using either the fair value method, the relative fair value method, or the residual value method. The guidance also requires companies to use a consistent approach in allocating issuance costs between the instruments. Accordingly, the Company allocated its issuance costs of $14,303,235—consisting of $3,450,000 of underwriting fees, $6,037,500 of deferred underwriting commissions, $4,411,238 of fair value of the Founder Shares attributable to the Anchor Investor, and $404,497 of other offering costs—to the issuance of its Class A common stock and warrants in the amount of $13,780,222 and $523,013, respectively. Issuance costs attributed to the warrants were expensed to the statement of operations for the year ended December 31, 2021. Issuance costs attributed to the Class A common stock were initially charged to temporary equity and then re-measured to Class A common stock subject to redemption upon completion of the Initial Public Offering.

***Income Taxes***

The Company follows the asset and liability method of accounting for income taxes under ASC 740, “Income Taxes.” Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that included the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

FASB ASC 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. There were no unrecognized tax benefits and no amounts accrued for interest and penalties as of December 31, 2021 and 2020. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position. The Company is subject to income tax examinations by major taxing authorities since inception.

***Net Loss per Share of Common Stock***

The Company complies with accounting and disclosure requirements of FASB ASC Topic 260, “Earnings Per Share”. Net loss per share of common stock is computed by dividing net loss by the weighted average number of shares of common stock outstanding for the period. The Company applies the two-class method in calculating loss per share of common stock. Re-measurement associated with the redeemable shares of Class A common stock is excluded from loss per common share as the redemption value approximates fair value. Net income or loss is allocated among the classes of ordinary shares based on weighted average shares outstanding.

The calculation of diluted loss per share of common stock does not consider the effect of the warrants issued in connection with the (i) Initial Public Offering, and (ii) the private placement since the exercise of the warrants is contingent upon the occurrence of future events. The warrants are exercisable to purchase 13,825,000 shares of Class A common stock in the aggregate. As of December 31, 2021 and 2020, the Company did not have any other dilutive securities or other contracts that could, potentially, be exercised or converted into common stock and then share in the earnings of the Company. As a result, diluted net loss per common share is the same as basic net loss per common share for the periods presented.

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**KLUDEIN I ACQUISITION CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

Class B Founder Shares subject to forfeiture (see Note 6) are not included in weighted average shares outstanding until the forfeiture restrictions lapse.

The following table reflects the calculation of basic and diluted net loss per common share (in dollars, except per share amounts):

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Year Ended  December 31, 2021** | | | | | |  |  | **For the Period from September 24, 2020 (Inception) Through December 31,  2020** | | | | | |  |
|  |  | **Class A** | |  |  | **Class B** | |  |  | **Class A** | |  |  | **Class B** | |  |
| *Basic and diluted net loss per common share* |  |  | |  |  |  | |  |  |  | |  |  |  | |  |
| Numerator: |  |  | |  |  |  | |  |  |  | |  |  |  | |  |
| Allocation of net loss |  | $ | (323,233 | ) |  | $ | (82,793 | ) |  | $ | — |  |  | $ | (1,893 | ) |
| Denominator: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Basic and diluted weighted average shares outstanding |  |  | 16,776,099 |  |  |  | 4,297,047 |  |  |  | — |  |  |  | 3,750,000 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Basic and diluted net loss per common share |  | $ | (0.02 | ) |  | $ | (0.02 | ) |  | $ | — |  |  | $ | (0.00 | ) |

***Concentration of Credit Risk***

Financial instruments that potentially subject the Company to concentrations of credit risk consist of a cash account in a financial institution, which, at times, may exceed the Federal Depository Insurance Coverage of $250,000. The Company has not experienced losses on these accounts.

***Fair Value of Financial Instruments***

The fair value of the Company’s assets and liabilities, which qualify as financial instruments under ASC Topic 820, “Fair Value Measurement,” approximates the carrying amounts represented in the Company’s balance sheets, primarily due to their short-term nature, except for warrants (see Note 11).

***Recent Accounting Standards***

In August 2020, the FASB issued Accounting Standards Update (“ASU”) No. 2020-06, “Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity” (“ASU 2020-06”), which simplifies accounting for convertible instruments by removing major separation models required under current U.S. GAAP. The ASU also removes certain settlement conditions that are required for equity-linked contracts to qualify for the derivative scope exception, and it simplifies the diluted earnings per share calculation in certain areas. The Company early adopted ASU 2020-06 on January 1, 2021. Adoption of the ASU did not impact the Company’s financial position, results of operations or cash flows.

Management does not believe that any other recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on the Company’s financial statements.

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**KLUDEIN I ACQUISITION CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

**NOTE 4 — INITIAL PUBLIC OFFERING**

Pursuant to the Initial Public Offering, the Company sold 17,250,000 Units, which includes a full exercise by the underwriters of their over-allotment option in the amount of 2,250,000 Units, at a purchase price of $10.00 per Unit. Each Unit consists of one share of the Company’s Class A common stock and one-half of one redeemable warrant (“Public Warrant”). Each Whole Public Warrant entitles the holder to purchase one share of Class A common stock at an exercise price of $11.50 per whole share (see Note 10).

**NOTE 5 — PRIVATE PLACEMENT WARRANTS**

Simultaneously with the closing of the Initial Public Offering, the Sponsor purchased an aggregate of 5,200,000 Private Placement Warrants at a price of $1.00 per Private Placement Warrant ($5,200,000 in the aggregate), in a private placement. Certain qualified institutional buyers or institutional accredited investors (“Anchor Investor”) purchased an aggregate of 780,000 Private Placement Warrants from the Sponsor at a price of $1.00 per Private Placement Warrant ($780,000 in the aggregate). As a result, the Sponsor and Anchor Investor held 4,400,000 and 780,000 Private Placement Warrants, respectively. Each Private Placement Warrant is exercisable to purchase one share of Class A common stock at a price of $11.50 per share. The proceeds from the sale of the Private Placement Warrants were added to the net proceeds from the Initial Public Offering held in the Trust Account. If the Company does not complete a Business Combination within the Combination Period, the proceeds from the sale of the Private Placement Warrants will be used to fund the redemption of the Public Shares (subject to the requirements of applicable law) and the Private Placement Warrants will expire worthless.

**NOTE 6 — RELATED PARTY TRANSACTIONS**

***Founder Shares***

On September 24, 2020, the Sponsor paid $25,000 to cover certain offering costs of the Company in consideration for 4,312,500 shares of Class B common stock (the “Founder Shares”). On January 6, 2021, the Sponsor transferred an aggregate of 75,000 to the Company’s director nominees. These 75,000 Founder Shares were not subject to forfeiture in the event the underwriter’s over-allotment option was not exercised. The Founder Shares included an aggregate of up to 562,500 shares subject to forfeiture by the Sponsor to the extent that the underwriters’ over-allotment was not exercised in full or in part, so that the Sponsor will collectively own, on an as-converted basis, 20% of the Company’s issued and outstanding shares after the Initial Public Offering (assuming the Sponsor does not purchase any Public Shares in the Initial Public Offering). As a result of the underwriters’ election to fully exercise their over-allotment option, no Founder Shares were forfeited, and none are currently subject to forfeiture.

The Sponsor and its director nominees have agreed, subject to certain limited exceptions, not to transfer, assign or sell any of the Founder Shares until the earlier to occur of: (A) one year after the completion of a Business Combination or (B) subsequent to a Business Combination, (x) if the last sale price of the Class A common stock equals or exceeds $12.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after a Business Combination, or (y) the date on which the Company completes a liquidation, merger, capital stock exchange or other similar transaction that results in all of the Company’s stockholders having the right to exchange their shares of common stock for cash, securities or other property.

In connection with the closing of the Initial Public Offering, the Anchor Investor, as defined in Note 5, acquired from the Sponsor an indirect economic interest in an aggregate of 635,625 Founder Shares at the original purchase price that the Sponsor paid for the Founder Shares. The Sponsor has agreed to distribute such Founder Shares to the Anchor Investor after the completion of a Business Combination. The Company estimated the aggregate fair value of the Founder Shares attributable to the Anchor Investor to be $4,411,238, or $6.94 per share. The fair value of the Founder Shares was estimated using the income approach. The excess of the fair value of the Founder Shares was determined to be an offering cost in accordance with Staff Accounting Bulletin Topic 5A and Topic 5T. Accordingly, the offering cost was allocated to the separable financial instruments issued in the Initial Public Offering using the with-and-without method, compared to total proceeds received. Offering costs related to the Founder Shares amounted to a contribution to additional paid-in capital $4,411,238, of which $158,805 were expensed to the statements of operations and included in transaction costs attributable to warrant liabilities and the remaining $4,252,433 recorded as an additional offering cost as a reduction of temporary equity, and re-measured to accumulated deficit upon recording temporary equity at redemption value.

The transfer of the Founders Shares to the Company’s director nominees, as described above, is within the scope of FASB ASC Topic 718, “Compensation-Stock Compensation” (“ASC 718”). Under ASC 718, stock-based compensation associated with equity-classified awards is measured at fair value upon the grant date. The Founders Shares were effectively transferred subject to a performance condition (i.e., the occurrence of a Business Combination). Compensation expense related to the Founders Shares and common stock purchase warrants is recognized only when the performance condition is probable of occurrence under the applicable accounting literature in this circumstance. Stock-based compensation would be recognized at the date a Business Combination is considered probable in an amount equal to the number of Founders Shares times the grant date fair value per share (unless subsequently modified) less the amount initially received for the purchase of the Founders Shares. As of December 31, 2021, the Company determined that a Business Combination is not considered probable, and, therefore, no stock-based compensation expense has been recognized.

***Promissory Note — Related Party***

On September 24, 2020, the Sponsor agreed to loan the Company an aggregate of up to $300,000 to cover expenses related to the Initial Public Offering pursuant to a promissory note (the “Note”). The Note was non-interest bearing and was payable on the earlier of June 30, 2021 or the completion of the Initial Public Offering. The outstanding balance under the Note of $88,905, which was $83,905 as of December 31, 2020 was repaid at the closing of the Initial Public Offering on January 11, 2021. Borrowings are no longer available under the Note.

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**KLUDEIN I ACQUISITION CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

***Related Party Loans***

In order to finance transaction costs in connection with a Business Combination, the Sponsor or an affiliate of the Sponsor or certain of the Company’s directors and officers may, but are not obligated to, loan the Company funds as may be required (“Working Capital Loans”). If the Company completes a Business Combination, the Company would repay the Working Capital Loans out of the proceeds of the Trust Account released to the Company. Otherwise, the Working Capital Loans would be repaid only out of funds held outside the Trust Account. In the event that a Business Combination does not close, the Company may use a portion of proceeds held outside the Trust Account to repay the Working Capital Loans, but no proceeds held in the Trust Account would be used to repay the Working Capital Loans. Except for the foregoing, the terms of such Working Capital Loans, if any, had not been determined and no written agreements existed with respect to such loans. The Working Capital Loans would either be repaid upon consummation of a Business Combination, without interest, or, at the lender’s discretion, up to $1,500,000 of such Working Capital Loans may be convertible into warrants of the post-Business Combination entity at a price of $1.00 per warrant. The warrants would be identical to the Private Placement Warrants. On January 21, 2022, the Company issued a Working Capital Loan in the principal amount of up to $1,500,000 to the Sponsor. The Working Capital Loan is non-interest bearing and payable upon the consummation of a Business Combination or may be convertible into warrants of the post-Business Combination entity at a price of $1.00 per warrant. On January 31, 2022, $350,000 was drawn on the Working Capital Loan. On April 1, 2022, the Company drew an additional $112,500 on the Working Capital Loan.

**NOTE 7 — COMMITMENTS AND CONTINGENCIES**

***Registration Rights***

Pursuant to a registration rights agreement entered into on January 6, 2021, the holders of the Founder Shares, Private Placement Warrants and any warrants that may be issued upon conversion of the Working Capital Loans (and any shares of Class A common stock issuable upon the exercise of the Private Placement Warrants and warrants that may be issued upon conversion of Working Capital Loans and upon conversion of the Founder Shares) will have registration rights to require the Company to register a sale of any of our securities held by them. These holders of these securities will be entitled to make up to three demands, excluding short form registration demands, that the Company register such securities for sale under the Securities Act. In addition, these holders will have “piggy-back” registration rights to include their securities in other registration statements filed by us, subject to certain limitations. The registration rights agreement does not contain liquidating damages or other cash settlement provisions resulting from delays in registering the Company’s securities. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

***Underwriting Agreement***

The underwriters are entitled to a deferred fee of $0.35 per Unit, or $6,037,500 in the aggregate. The deferred fee will become payable to the underwriters from the amounts held in the Trust Account solely in the event that the Company completes a Business Combination, subject to the terms of the underwriting agreement.

***Contingent Legal Fees***

As of December 31, 2021, the Company has incurred legal fees of $118,550, payment for which are contingent upon the consummation of the Business Combination, of which such amount is included in accrued expenses in the accompanying balance sheet. There were no contingent fees incurred in 2020, nor was there an accrual outstanding as of December 31, 2020.

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**KLUDEIN I ACQUISITION CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

**NOTE 8 — STOCKHOLDERS’ (DEFICIT) EQUITY**

***Preferred Stock*** — The Company is authorized to issue 1,000,000 shares of preferred stock with a par value of $0.0001 per share with such designation, rights and preferences as may be determined from time to time by the Company’s board of directors. As of December 31, 2021 and 2020, there were no shares of preferred stock issued or outstanding.

***Class A Common Stock*** — The Company is authorized to issue 280,000,000 shares of Class A common stock with a par value of $0.0001 per share. Holders of Class A common stock are entitled to one vote for each share. At December 31, 2021, there were 17,250,000 shares of Class A common stock issued and outstanding, all of which are subject to possible redemption and presented as temporary equity. At December 31, 2020, there were no shares of Class A common stock issued or outstanding.

***Class B Common Stock —*** The Company is authorized to issue up to 20,000,000 shares of Class B common stock with a par value of $0.0001. Holders of the Company’s Class B common stock are entitled to one vote for each share. At December 31, 2021 and 2020, there were 4,312,500 shares of Class B common stock issued and outstanding.

Holders of Class A common stock and Class B common stock will vote together as a single class on all other matters submitted to a vote of shareholders, except as required by law.

The shares of Class B common stock will automatically convert into shares of Class A common stock at the time of a Business Combination on a one-for-one basis (subject to adjustment). In the case that additional shares of Class A common stock or equity-linked securities are issued or deemed issued in connection with a Business Combination, the number of shares of Class A common stock issuable upon conversion of all Founder Shares will equal, in the aggregate, on an as-converted basis, 20% of the sum of the total number of all shares of common stock outstanding upon the completion of the Initial Public Offering, plus the total number of shares of Class A common stock issued, or deemed issued or issuable upon conversion or exercise of any equity-linked securities or rights issued or deemed issued, by the Company in connection with or in relation to the consummation of a Business Combination, excluding any shares of Class A common stock or equity-linked securities exercisable for or convertible into shares of Class A common stock issued, or to be issued, to any seller in a Business Combination and any private placement-equivalent warrants issued to the Sponsor, officers or directors upon conversion of Working Capital Loans; provided that such conversion of Founder Shares will never occur on a less than one for one basis. The Company cannot determine at this time whether a majority of the holders of the Class B common stock at the time of any future issuance would agree to waive such adjustment to the conversion ratio.

**NOTE 9 — INCOME TAX**

The income tax provision consists of the following:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **December 31,** | |  |  | **December 31,** | |  |
|  |  | **2021** | |  |  | **2020** | |  |
| Federal |  |  | |  |  |  | |  |
| Current |  | $ | — |  |  | $ | — |  |
| Deferred |  |  | (320,314 | ) |  |  | (398 | ) |
|  |  |  |  |  |  |  |  |  |
| State and Local |  |  |  |  |  |  |  |  |
| Current |  | $ | — |  |  | $ | — |  |
| Deferred |  |  | — |  |  |  | — |  |
|  |  |  |  |  |  |  |  |  |
| Change in valuation allowance |  |  | 320,314 |  |  |  | 398 |  |
| Income tax provision |  | $ | — |  |  | $ | — |  |

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**KLUDEIN I ACQUISITION CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

As of December 31, 2021 and 2020, the Company had $140,812 and $1,132 of U.S. federal net operating loss carryovers available to offset future taxable income. Federal net operating loss can be carried forward indefinitely.

In assessing the realization of the deferred tax assets, management considers whether it is more likely than not that some portion of all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which temporary differences representing net future deductible amounts become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. After consideration of all of the information available, management believes that significant uncertainty exists with respect to future realization of the deferred tax assets and has therefore established a full valuation allowance. For the year ended December 31, 2021 and for the period from September 24, 2020 (inception) through December 31, 2020, the change in the valuation allowance was $320,314 and $398, respectively.

The Company’s net deferred tax assets (liabilities) are as follows:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **December 31,** | |  |  | **December 31,** | |  |
|  |  | **2021** | |  |  | **2020** | |  |
| Deferred tax assets (liabilities) |  |  | |  |  |  | |  |
| Net operating loss carryforward |  | $ | 29,571 |  |  | $ | 238 |  |
| Startup and organizational costs |  |  | 295,262 |  |  |  | 160 |  |
| Unrealized gain on marketable securities |  |  | (4,121 | ) |  |  | — |  |
| Total deferred tax assets |  |  | 320,712 |  |  |  | 398 |  |
| Valuation allowance |  |  | (320,712 | ) |  |  | (398 | ) |
| Deferred tax assets, net of valuation allowance |  | $ | — |  |  | $ | — |  |

A reconciliation of the federal income tax rate to the Company’s effective tax rate is as follows:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **December 31, 2021** | |  |  | **December 31, 2020** | |  |
|  |  |  | |  |  |  | |  |
| Statutory federal income tax rate |  |  | 21.0 | % |  |  | 21.0 | % |
| State taxes, net of federal tax benefit |  |  | 0.0 | % |  |  | 0.0 | % |
| Change in fair value of warrants |  |  | 84.9 | % |  |  | 0.0 | % |
| Transaction costs allocable to warrants |  |  | (27.1 | )% |  |  | 0.0 | % |
| Change in valuation allowance |  |  | (78.9 | )% |  |  | (21.0 | )% |
| Income tax provision |  |  | 0.0 | % |  |  | 0.0 | % |

The Company files income tax returns in the U.S. federal jurisdiction and is subject to examination by the various taxing authorities. The Company’s tax returns since inception remain open to examination by the taxing authorities. The Company considers California to be a significant state tax jurisdiction.

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**KLUDEIN I ACQUISITION CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

**NOTE 10 — WARRANT LIABILITIES**

As of December 31, 2021, there were 8,625,000 Public Warrants outstanding. As of December 31, 2020, there were no Public Warrants outstanding. Public Warrants may only be exercised for a whole number of shares. No fractional shares will be issued upon exercise of the Public Warrants. The Public Warrants will become exercisable on the later of (a) 30 days after the consummation of a Business Combination or (b) 12 months from the closing of the Initial Public Offering. The Public Warrants will expire five years from the consummation of a Business Combination or earlier upon redemption or liquidation.

The Company will not be obligated to deliver any Class A common stock pursuant to the exercise of a Public Warrant and will have no obligation to settle such Public Warrant exercise unless a registration statement under the Securities Act covering the issuance of the Class A common stock issuable upon exercise of the Public Warrants is then effective and a prospectus relating thereto is current, subject to the Company satisfying its obligations with respect to registration. No warrant will be exercisable and the Company will not be obligated to issue shares of Class A common stock upon exercise of a warrant unless Class A common stock issuable upon such warrant exercise has been registered, qualified or deemed to be exempt under the securities laws of the state of residence of the registered holder of the warrants.

The Company has agreed that as soon as practicable, but in no event later than 15 business days after the closing of a Business Combination, it will use its best efforts to file with the SEC a registration statement registering the issuance of the shares of Class A common stock issuable upon exercise of the warrants, to cause such registration statement to become effective and to maintain a current prospectus relating to those shares of Class A common stock until the warrants expire or are redeemed, as specified in the warrant agreement. If a registration statement covering the shares of Class A common stock issuable upon exercise of the warrants is not effective by the 60th business day after the closing of a Business Combination or within a specified period following the consummation of a Business Combination, warrant holders may, until such time as there is an effective registration statement and during any period when the Company shall have failed to maintain an effective registration statement, exercise warrants on a “cashless basis” pursuant to the exemption provided by Section 3(a)(9) of the Securities Act; provided that such exemption is available. If that exemption, or another exemption, is not available, holders will not be able to exercise their warrants on a cashless basis.

Once the warrants become exercisable, the Company may call the warrants for redemption (except as described with respect to the Private Placement Warrants):

|  |  |  |
| --- | --- | --- |
|  | ● | in whole and not in part; |
|  |  |  |
|  | ● | at a price of $0.01 per warrant; |
|  |  |  |
|  | ● | upon not less than 30 days’ prior written notice of redemption to each warrant holder; and |
|  |  |  |
|  | ● | if, and only if, the reported closing price of the Class A common stock equals or exceeds $18.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within a 30-trading day period ending three business days before the Company sends to the notice of redemption to the warrant holders. |

If and when the warrants become redeemable by the Company, the Company may exercise its redemption right even if the Company is unable to register or qualify the underlying securities for sale under all applicable state securities laws.

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**KLUDEIN I ACQUISITION CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

If the Company calls the Public Warrants for redemption, as described above, its management will have the option to require any holder that wishes to exercise the Public Warrants to do so on a “cashless basis,” as described in the warrant agreement. The exercise price and number of Class A common stock issuable upon exercise of the Public Warrants may be adjusted in certain circumstances including in the event of a share dividend, extraordinary dividend or recapitalization, reorganization, merger or consolidation. However, except as described below, the Public Warrants will not be adjusted for issuances of Class A common stock at a price below its exercise price. Additionally, in no event will the Company be required to net cash settle the Public Warrants. If the Company is unable to complete a Business Combination within the Combination Period and the Company liquidates the funds held in the Trust Account, holders of Public Warrants will not receive any of such funds with respect to their Public Warrants, nor will they receive any distribution from the Company’s assets held outside of the Trust Account with respect to such Public Warrants. Accordingly, the Public Warrants may expire worthless.

In addition, if (x) the Company issues additional shares of Class A common stock or equity-linked securities for capital raising purposes in connection with the closing of its initial Business Combination at an issue price or effective issue price of less than $9.20 per share of Class A common stock (with such issue price or effective issue price to be determined in good faith by the Company’s board of directors and, in the case of any such issuance to the Sponsor or its affiliates, without taking into account any Founder Shares held by the Sponsor or such affiliates, as applicable, prior to such issuance) (the “Newly Issued Price”), (y) the aggregate gross proceeds from such issuances represent more than 60% of the total equity proceeds, and interest thereon, available for the funding of the Company’s initial Business Combination on the date of the consummation of such initial Business Combination (net of redemptions), and (z) the volume weighted average trading price of the Company’s common stock during the 20 trading day period starting on the trading day prior to the day on which the Company consummates its initial Business Combination (such price, the “Market Value”) is below $9.20 per share, the exercise price of the warrants will be adjusted (to the nearest cent) to be equal to 115% of the higher of the Market Value and the Newly Issued Price and the $18.00 per share redemption trigger price described above will be adjusted (to the nearest cent) to be equal to 180% of the higher of the Market Value and the Newly Issued Price.

At December 31, 2021, there were 5,200,000 Private Placement Warrants outstanding. As of December 31, 2020, there were no Private Placement Warrants outstanding. The Private Placement Warrants are identical to the Public Warrants underlying the Units sold in the Initial Public Offering, except that the Private Placement Warrants and the shares of common stock issuable upon the exercise of the Private Placement Warrants will not be transferable, assignable or salable until 30 days after the completion of a Business Combination, subject to certain limited exceptions. Additionally, the Private Placement Warrants will be exercisable on a cashless basis and will be non-redeemable so long as they are held by the initial purchasers or their permitted transferees. If the Private Placement Warrants are held by someone other than the initial purchasers or their permitted transferees, the Private Placement Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants.

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**KLUDEIN I ACQUISITION CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

**NOTE 11 — FAIR VALUE MEASUREMENTS**

The Company follows the guidance in ASC 820 for its financial assets and liabilities that are re-measured and reported at fair value at each reporting period, and non-financial assets and liabilities that are re-measured and reported at fair value at least annually.

The fair value of the Company’s financial assets and liabilities reflects management’s estimate of amounts that the Company would have received in connection with the sale of the assets or paid in connection with the transfer of the liabilities in an orderly transaction between market participants at the measurement date. In connection with measuring the fair value of its assets and liabilities, the Company seeks to maximize the use of observable inputs (market data obtained from independent sources) and to minimize the use of unobservable inputs (internal assumptions about how market participants would price assets and liabilities). The following fair value hierarchy is used to classify assets and liabilities based on the observable inputs and unobservable inputs used in order to value the assets and liabilities:

|  |  |  |
| --- | --- | --- |
|  | Level 1: | Quoted prices in active markets for identical assets or liabilities. An active market for an asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. |

|  |  |  |
| --- | --- | --- |
|  | Level 2: | Observable inputs other than Level 1 inputs. Examples of Level 2 inputs include quoted prices in active markets for similar assets or liabilities and quoted prices for identical assets or liabilities in markets that are not active. |

|  |  |  |
| --- | --- | --- |
|  | Level 3: | Unobservable inputs based on the Company’s assessment of the assumptions that market participants would use in pricing the asset or liability. |

The following table presents information about the Company’s assets that are measured at fair value on a recurring basis at December 31, 2021, and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Description** |  | **Level** |  |  | **December 31, 2021** | |  |
| Assets: |  |  |  |  |  | |  |
| Marketable securities held in Trust Account |  | 1 |  |  | $ | 172,580,609 |  |
|  |  |  |  |  |  |  |  |
| Liabilities: |  |  |  |  |  |  |  |
| Warrant Liabilities – Public Warrants |  | 1 |  |  |  | 5,180,136 |  |
| Warrant Liabilities – Private Placement Warrants |  | 3 |  |  |  | 3,131,574 |  |

The warrants were accounted for as liabilities in accordance with ASC 815-40 and are presented within warrant liabilities on the accompanying balance sheets. The warrant liabilities are measured at fair value at inception and on a recurring basis, with changes in fair value presented within change in fair value of warrant liabilities in the statements of operations.

As of December 31, 2021, the Private Placement Warrants were valued using a binomial lattice model which is considered to be a Level 3 fair value measurement. The binomial lattice model’s primary unobservable input utilized in determining the fair value of the warrants is the expected volatility of the common stock. The expected volatility as of the closing date of the Initial Public Offering was derived from observable Public Warrant pricing on comparable ‘blank-check’ companies without an identified target. The expected volatility as of subsequent valuation dates was implied from the Company’s own Public Warrant pricing. As of December 31, 2021, the Public Warrants were valued using the level 1 quoted prices in an active market.

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**KLUDEIN I ACQUISITION CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

The following table provides quantitative information regarding Level 3 fair value measurements for both public and private placement warrants at January 11, 2021 and for private placement warrants only at December 31, 2021:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **At January 11, 2021 (Initial Measurement)** | |  |  | **As of December 31, 2021** | |  |
| Stock price |  | $ | 9.64 |  |  | $ | 9.84 |  |
| Strike price |  | $ | 11.50 |  |  | $ | 11.50 |  |
| Volatility |  |  | 14.1 | % |  |  | 12.2 | % |
| Risk-free rate |  |  | 0.56 | % |  |  | 1.17 | % |
| Probability of Business Combination occurring |  |  | 75 | % |  |  | 75 | % |
| Dividend yield |  |  | 0.0 | % |  |  | 0.0 | % |
| Fair value of warrants |  | $ | 0.72 |  |  | $ | 0.60 |  |

The following contains additional information regarding the inputs used in the pricing models:

|  |  |  |
| --- | --- | --- |
|  | ● | Term – the expected life of the warrants was assumed to be equivalent to their remaining contractual term. |

|  |  |  |
| --- | --- | --- |
|  | ● | Risk-free rate – the risk-free interest rate is based on the U.S. treasury yield curve in effect on the date of valuation equal to the remaining expected life of the Warrants. |

|  |  |  |
| --- | --- | --- |
|  | ● | Volatility – the Company estimated the volatility of its common stock warrants based on implied volatility and actual historical volatility of a group of comparable publicly traded companies observed over a historical period equal to the expected remaining life of the Warrants. |

|  |  |  |
| --- | --- | --- |
|  | ● | Dividend yield – the dividend yield percentage is zero because the Company does not currently pay dividends, nor does it intend to do so during the expected term of the Private Placement Warrants. |

The following table presents the changes in the fair value of Level 3 warrant liabilities:

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Private Placement** | |  |  | **Public** | |  |  | **Warrant Liabilities** | |  |
| Fair value as of January 1, 2021 |  | $ | — |  |  | $ | — |  |  | $ | — |  |
| Initial measurement on January 11, 2021 |  |  | 3,744,000 |  |  |  | 6,210,000 |  |  |  | 9,954,000 |  |
| Change in fair value |  |  | (612,426 | ) |  |  | (1,380,000 | ) |  |  | (1,992,426 | ) |
| Transfer to Level 1 |  |  | — |  |  |  | (4,830,000 | ) |  |  | (4,830,000 | ) |
| Fair value as of December 31, 2021 |  |  | 3,131,574 |  |  |  | — |  |  |  | 3,131,574 |  |

Transfers to/from Levels 1, 2 and 3 are recognized at the end of the reporting period. Due to the use of quoted prices in an active market (Level 1) to measure the fair values of the Public Warrants subsequent to initial measurement, the Company had transfers out of Level 3 totaling approximately $4.8 million during the year ended December 31, 2021.

**NOTE 12 — SUBSEQUENT EVENTS**

The Company evaluated subsequent events and transactions that occurred after the balance sheet date up to the date that the financial statements were issued. Based upon this review, except as identified below, the Company did not identify any subsequent events that would have required adjustment or disclosure in the financial statements.

As discussed in Note 6, on January 21, 2022, the Company issued a Working Capital Loan in the principal amount of up to $1,500,000 to the Sponsor. On January 31, 2022, the Company drew $350,000 on the Working Capital Loan. On April 1, 2022, the Company drew an additional $112,500 on the Working Capital Loan.

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**EXHIBIT INDEX**

|  |  |  |
| --- | --- | --- |
| **Exhibit No.** |  | **Description** |
| 1.1 |  | [Underwriting Agreement. (3)](http://www.sec.gov/Archives/edgar/data/1826671/000121390021001675/ea133155ex1-1_kludein1.htm) |
| 3.1 |  | [Amended and Restated Certificate of Incorporation. (3)](http://www.sec.gov/Archives/edgar/data/1826671/000121390021001675/ea133155ex3-1_kludein1.htm) |
| 3.2 |  | [By Laws. (1)](http://www.sec.gov/Archives/edgar/data/1826671/000121390020042597/fs12020ex3-2_kludein1acq.htm) |
| 4.1 |  | [Specimen Unit Certificate. (2)](http://www.sec.gov/Archives/edgar/data/1826671/000121390020044910/ea132333ex4-1_kludein1.htm) |
| 4.2 |  | [Specimen Class A Common Stock Certificate. (2)](http://www.sec.gov/Archives/edgar/data/1826671/000121390020044910/ea132333ex4-2_kludein1.htm) |
| 4.3 |  | [Specimen Warrant Certificate. (2)](http://www.sec.gov/Archives/edgar/data/1826671/000121390020044910/ea132333ex4-3_kludein1.htm) |
| 4.4 |  | [Warrant Agreement, dated January 6, 2021, by and between the Company and Continental Stock Transfer & Trust Company, as warrant agent. (3)](http://www.sec.gov/Archives/edgar/data/1826671/000121390021001675/ea133155ex4-1_kludein1.htm) |
| 4.5 |  | [Description of Registered Securities.(4)](http://www.sec.gov/Archives/edgar/data/1826671/000121390021017854/f10k2020ex4-5_kludein1acq.htm) |
| 10.1 |  | [Letter Agreement, dated January 6, 2021, by and among the Company, its officers and directors and the Sponsor. (3)](http://www.sec.gov/Archives/edgar/data/1826671/000121390021001675/ea133155ex10-1_kludein1.htm) |
| 10.2 |  | [Promissory Note, dated as of September 24, 2020, issued to KludeIn Prime LLC. (1)](http://www.sec.gov/Archives/edgar/data/1826671/000121390020042597/fs12020ex10-2_kludein1acq.htm) |
| 10.3 |  | [Investment Management Trust Agreement, dated January 6, 2021, by and between the Company and Continental Stock Transfer & Trust Company, as trustee. (3)](http://www.sec.gov/Archives/edgar/data/1826671/000121390021001675/ea133155ex10-2_kludein1.htm) |
| 10.4 |  | [Registration Rights Agreement, dated January 6, 2021, by and among the Company and certain security holders. (3)](http://www.sec.gov/Archives/edgar/data/1826671/000121390021001675/ea133155ex10-3_kludein1.htm) |
| 10.5 |  | [Securities Subscription Agreement, dated September 24, 2020, between the Company and KludeIn Prime LLC. (1)](http://www.sec.gov/Archives/edgar/data/1826671/000121390020042597/fs12020ex10-6_kludein1acq.htm) |
| 10.6 |  | [Private Placement Warrants Purchase Agreement, dated January 6, 2021, by and between the Company and the Sponsor. (3)](http://www.sec.gov/Archives/edgar/data/1826671/000121390021001675/ea133155ex10-4_kludein1.htm) |
| 10.7 |  | [Form of Indemnity Agreement. (2)](http://www.sec.gov/Archives/edgar/data/1826671/000121390020044910/ea132333ex10-8_kludein1.htm) |
| 10.8 |  | [Promissory Note of the Company, dated as of January 21, 2022, issued to KludeIn Prime LLC. (5)](http://www.sec.gov/Archives/edgar/data/1826671/000121390022003358/ea154441ex99-1_kludein1.htm) |
| 31.1 |  | [Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.\*](f10k2021ex31-1_kludein1acq.htm) |
| 31.2 |  | [Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.\*](f10k2021ex31-2_kludein1acq.htm) |
| 32.1 |  | [Certification of the Principal Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.\*\*](f10k2021ex32-1_kludein1acq.htm) |
| 32.2 |  | [Certification of the Principal Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.\*\*](f10k2021ex32-2_kludein1acq.htm) |
| 101.INS |  | Inline XBRL Instance Document.\* |
| 101.SCH |  | Inline XBRL Taxonomy Extension Schema Document.\* |
| 101.CAL |  | Inline XBRL Taxonomy Extension Calculation Linkbase Document.\* |
| 101.DEF |  | Inline XBRL Taxonomy Extension Definition Linkbase Document.\* |
| 101.LAB |  | Inline XBRL Taxonomy Extension Label Linkbase Document.\* |
| 101.PRE |  | Inline XBRL Taxonomy Extension Presentation Linkbase Document.\* |
| 104 |  | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). |

|  |  |  |
| --- | --- | --- |
|  | \* | Filed herewith. |
|  | \*\* | Furnished herewith. |

|  |  |
| --- | --- |
| (1) | Incorporated by reference to the Company’s Form S-1, filed with the SEC on December 15, 2020. |
| (2) | Incorporated by reference to the Company’s Form S-1/A, filed with the SEC on December 28, 2020. |
| (3) | Incorporated by reference to the Company’s Form 8-K, filed with the SEC on January 12, 2021. |
| (4) | Incorporated by reference to the Company’s Form 10-K, filed with the SEC on March 26, 2021. |

|  |  |
| --- | --- |
| (5) | Incorporated by reference to the Company’s Form 8-K, filed with the SEC on January 24, 2022. |

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**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

|  |  |  |
| --- | --- | --- |
| April 11, 2022 | **KludeIn I Acquisition Corp.** | |
|  |  |  |
|  | By: | /s/ Narayan Ramachandran |
|  | Name: | Narayan Ramachandran |
|  | Title: | Chief Executive Officer (Principal Executive Officer) |

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name** |  | **Position** |  | **Date** |
|  |  | |  | |
| /s/ Narayan Ramachandran |  | Chief Executive Officer and Chairman |  | April 11, 2022 |
| Narayan Ramachandran |  | *(Principal Executive Officer)* |  |  |
|  |  | |  | |
| /s/ Mini Krishnamoorthy |  | Chief Financial Officer and Director |  | April 11, 2022 |
| Mini Krishnamoorthy |  | *(Principal Financial and Accounting Officer)* |  |  |
|  |  | |  | |
| /s/ Krishnan Rajagopalan |  | Director |  | April 11, 2022 |
| Krishnan Rajagopalan |  | |  | |
|  |  | |  | |
| /s/ Madhavan Rangaswami |  | Director |  | April 11, 2022 |
| Madhavan Rangaswami |  |  |  |  |
|  |  |  |  |  |
| /s/ Mark Bailey |  | Director |  | April 11, 2022 |
| Mark Bailey |  |  |  |  |

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