



(Company Registration No: CT-382031)
(Incorporated in the Cayman Islands on 13 October 2021)

**RESPONSES TO QUERIES FROM SHAREHOLDERS AND SECURITIES INVESTORS
ASSOCIATION (SINGAPORE) PRIOR TO AGM SCHEDULED 25 APRIL 2023**

Citigroup Global Markets Singapore Pte. Ltd. and UBS AG, Singapore Branch¹ are the Joint Issue Managers and Global Coordinators for the Offering. Oversea-Chinese Banking Corporation Limited is the Joint Global Coordinator, Bookrunner and Underwriter for the Offering. Citigroup Global Markets Singapore Pte. Ltd., UBS AG, Singapore Branch, Oversea-Chinese Banking Corporation Limited, China International Capital Corporation (Singapore) Pte. Limited and UOB Kay Hian Private Limited are the Joint Bookrunners and Underwriters for the Offering.

¹ UBS AG is incorporated in Switzerland with limited liability. UBS AG has a branch registered in Singapore (UEN S98FC5560C).

The Board of Directors of Pegasus Asia (the “**Company**”), refers to the questions raised by shareholders and Securities Investors Association (Singapore) (“**SIAS**”) prior to the Annual General Meeting (“**AGM**”) scheduled to be held on 25 April 2023 at 2.00 p.m.

RESPONSE TO QUESTIONS RAISED BY SHAREHOLDERS

The Board of Directors of Pegasus Asia (the “**Company**”) wishes to announce the following responses to the queries raised by shareholders:

Question 1

Has the board/ management identified any potential acquisition targets?

Company’s Response:

The Company is continuously reviewing, evaluating and identifying potential targets to consummate a business combination. The Company will, in compliance with the obligations under the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), make the appropriate announcements on SGX-ST in due course in the event of any material development which warrants disclosure.

Question 2

Does the current higher interest rate environment make it less favourable to de spac? Or does it provide the opportunity to acquire target at a better valuation?

Company’s Response:

The impact of interest rates on a de-SPAC transaction will depend on the business, financial and operating condition and environment of the target, its funding needs, the nature of funding available, current and future plans, among other factors. In evaluating a potential business combination, the Company will take into account and consider relevant factors, including the impact that interest rates may have on the valuation of the transaction, and on the target’s business.

RESPONSE TO QUESTIONS RAISED BY SIAS

Question 1

The company is a special purpose acquisition company (“SPAC”) incorporated for the purpose of effecting a business combination with one or more target businesses within 24 months from 21 January 2022.

The company has less than 12 months to effect a business combination prior to the regulatory timeline in January 2024.

The SPAC will focus on businesses in technology-enabled sectors, including but not limited to consumer-technology (“consumer-tech”), financial technology (“fintech”), property technology (“prop-tech”), insurance-technology (“insurance-tech”), healthcare and medical technology (“health-tech”), and digital services, primarily, but not exclusively, in Asia Pacific.

In the business combination, the SPAC seeks to help such businesses pursue their ambition by providing patient capital and operational support, making a transformative impact and creating value.

- (i) What progress has the company made in identifying an operating business for a potential business combination? Has the company conducted any due diligence on potential targets since its listing as a SPAC?
- (ii) What valuation framework does management use to evaluate potential acquisition targets? What are the key criteria and factors that are considered when evaluating such targets?
- (iii) Given the relatively weak performance of some SPACs post-business combination, how does the company's board and management plan to navigate these challenges and ensure a successful outcome for shareholders?
- (iv) Which of the technology sectors show the most resilience or remains most attractive as a target given the current macro-economic and geopolitical situation?
- (v) Can management elaborate on the strength of the sponsor's network in Asia, particularly given that it is based in France/Europe? How does the sponsor plan to leverage its network and resources to identify and pursue potential business combinations in the Asian market?

Company's Response:

- (i) The company is continuously reviewing, evaluating and identifying potential targets to consummate a business combination. As part of our evaluation, we also conduct due diligence to ensure that the targets we are considering fit our investment criteria.

The company remains in discussions on a potential business combination . A transaction would be subject to, among others, satisfactory due diligence, requisite regulatory and other approvals being obtained, negotiation of mutually acceptable terms and the execution of a binding business combination agreement by the relevant parties. The Company wishes to emphasise that no decision has been made as to whether to proceed and there is no certainty or assurance that a transaction will proceed or take place.

- (ii) The company uses both intrinsic and relative valuation methodologies when evaluating potential targets. Intrinsic valuation is mainly driven by a discounted cash flow analysis and relative valuation is driven by benchmarking against comparable companies and transactions. Where appropriate, an external valuer will be hired to provide a valuation and valuation framework.

The key investment criteria includes:

- a. Proven business model and a new player with a clear path to achieve market disruption;
- b. Highly scalable business model and strong unit economics;
- c. Multiple organic growth opportunities;
- d. Experienced founder(s) and/or strong management teams; and
- e. Potential for value creation not yet recognised by the market.



- (iii) We believe our strategy and investment criteria as articulated in our prospectus and above, would help us navigate these challenges. Additionally, our high quality sponsors Tikehau Capital and Financière Agache have also committed to invest an aggregate of S\$40m under a forward purchase agreement in connection with a business combination, as disclosed in the prospectus, enhancing our ability to complete a business combination. We will endeavour to incorporate in the transaction terms mechanism that are aimed at creating long-term share value, including where appropriate, reviewing the quality and strategy of potential investors in any PIPE process and the compensation and reward mechanism of key management.
- (iv) We will consider the current macro-economic and geopolitical situation globally and their potential impact on business performance when evaluating and valuing a potential target. As the Company is still in the process of evaluating potential targets to consummate a business combination, we will continue to assess the technology-enabled sectors, including but not limited to consumer-technology (“consumer-tech”), financial technology (“fintech”), property-technology (“prop-tech”), insurance-technology (“insurance-tech”), healthcare and medical technology (“health-tech”), and digital services, primarily, but not exclusively, in Asia Pacific (“APAC”).
- (v) Whilst our key Sponsors are headquartered in France, both Tikehau Capital and Financière Agache have had many years of experience investing and operating businesses in Asia. Tikehau Capital has had a presence in Singapore since 2014 and has made multiple investments in Asia over the last 9 years. Financière Agache, the holding company controlled by Agache, the Arnault family holding company holds a portfolio of diversified financial investments globally and in Asia. Notables ones include LVMH, the world’s leading luxury products group as well as L Catterton, a private equity firm with approximately \$30 billion in capital and 17 offices globally.

We believe we benefit from the resources, global network and investing experience of our Sponsors have. In addition, all of Pegasus Asia’s key management and board consists of individuals who are based in Singapore and collectively, they have an extensive network in the region and vast experience in investments.

Question 2

- (i) What is the reason that the SPAC purchased insurance for the directors and officers and why was this not included in the prospectus?
- (ii) Similarly, what are the reasons that legal fees have exceeded the prospectus amount by 46%?
- (iii) Have the sponsors and management utilised the experience gained during the IPO to enhance their understanding of the business and governance practices, regulations, and business norms of a SGX-listed company?

Company’s Response:

- (i) The Directors’ and Officers’ insurance was not included as an IPO offering expense as it is an ongoing cost through the life of the SPAC.
- (ii) Following the close of the IPO, management reviewed requests from the various law firms engaged in the transaction. Taking into account the novel nature of the SPAC in Singapore and the consequential additional work, time and effort required by the lawyers, the Company considered the payment of additional fees to the lawyers in the circumstances as appropriate.
- (iii) Yes, the IPO was a very detailed and involved process and through it the sponsors and management have gained useful experience to enhance their understanding of the governance practices, regulations, and business norms of an SGX-ST listed company.



Question 3

Mr Neil Parekh is the chief executive officer and executive director. Based on his biography (page 7), Mr Parekh is concurrently a Partner and Head of Asia, Australia & New Zealand at Tikehau Capital.

- (i) Would Mr Neil Parekh help shareholders understand how he splits his time between his two principal commitments?
- (ii) Can the CEO help shareholders understand the SPAC's competitive advantage over other SPACs in securing a business combination?
- (iii) Can the director clarify his current and past directorships? What are the reasons for the discrepancies in the same annual report? Did the directors approve the annual report?

Company's Response:

- (i) Mr Parekh is able to devote sufficient time to the affairs of our Company for the following reasons, namely:
 - a. his concurrent role as Head of Asia, Australia and New Zealand involves providing strategic oversight, managing client relationships, building relationships with potential investee companies. He is supported by a team of professionals, leaving him with capacity to also take on the additional role of Chief Executive Officer of our Company;
 - b. the role of the Chief Executive Officer of our Company involves sourcing for business targets, and given his many years of experience in the banking and finance industry, he has built up an extensive portfolio of contacts, which he can introduce to or use to procure introductions to our Company and to guide us towards a business combination;
 - c. his many years of experience in the financial services industry, with leadership and executive roles at various organisations, has provided Mr Parekh with the leadership and management skills to double hat; and
 - d. he will have the support of our Company's Chief Financial Officer in the management and operation of our Company.

In the event of a potential conflict of interest situation arising from Mr Parekh's double hatting, including situations falling under Listing Rule 210(11)(m)(ix), the Audit Committee will assess the nature of the conflict and its materiality, and to the extent the conflict is material, the Audit Committee will consider appropriate mitigation measures, including that Mr Parekh would abstain from discussions and/or voting as a Director on a Board resolution on the issue giving rise to the conflict. In such event, subject to the Articles of Association of our Company, the issue will be discussed by and/or be decided by a vote of the other Directors.

- (ii) Among the various competitive strengths we have identified in our prospectus, we believe that the backing from our international Sponsors, and access to their global resources, network and investing experience, is unique.
- (iii) A corrigendum to the Annual Report 2022 is issued on 21 April 2023 to correct certain clerical errors. The copy of Annual Report has been circulated to the Directors prior to broadcast.

BY ORDER OF THE BOARD
PEGASUS ASIA

Kenny Lin
Chief Financial Officer
21 April 2023