

Deals

## Surf Air Secures \$200 Million Funding Commitment from GEM

By [Katie Roof](#) and [Crystal Tse](#)  
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- ▶ Global Emerging Markets commitment can be drawn over 3 years
  - ▶ Surf Air eyes going public via SPAC merger or direct listing
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Surf Air Mobility Corp., a membership-based private plane operator, has secured a \$200 million funding commitment from Global Emerging Markets Group for when it goes public.

The Los Angeles-based company plans to go public in coming months through either a merger with a special purpose acquisition company or a direct listing, Chief Executive Officer Sudhin Shahani said Thursday in an interview. An initial public offering is also on the table, he said.

A SPAC, also known as a blank-check company, raises capital from outside investors in an IPO and then often raises more money in a private placement when a target company is acquired. Surf Air's deal with GEM is unusual because the SPAC would typically take the lead role in raising any additional funds.

[For More: Blank Check IPOs, Status Symbol of 2020, Have Raised \\$32 Billion](#)

Surf Air might benefit from a decision Wednesday by the [U.S. Securities and Exchange Commission](#) that will make direct listings more attractive. Companies going public on the New York Stock Exchange will be able for the first time to raise capital in what's being called a primary floor direct listing.

Surf Air can tap the first \$50 million of the commitment from Global Emerging Markets Group on the first day its stock begins trading publicly, Shahani said. The investment from the Luxembourg-based firm can be drawn over three years after the debut, he said.

The company offers scheduled flights on its fleet of turboprop aircraft among cities in California and Texas, as well as Las Vegas and Phoenix, according to its website.

Shahani said 70% of Surf Air's clients have remained on the platform through the coronavirus pandemic. The company plans to use the proceeds to expand its service area and to develop and acquire technology to advance what Shahani calls the industry's "inevitable electrification."

Surf Air has hired Fred Reid, formerly global head of transportation for Airbnb Inc., as chief strategy officer. It also has added Wings West Airlines founder Carl Albert to its board, along with Edward Mady, the North American boss for the Dorchester Collection hotel chain.

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**GLOBAL EMERGING MARKETS**  
Private Company

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