



# IPO CASE STUDY



Karmic Payback [www.karmicpayback.com](http://www.karmicpayback.com)  
SMART MONEY FOR EMERGING COMPANIES

## **Company:**

**Name:** SYRA HEALTH – [www.syrahealth.com](http://www.syrahealth.com)

**Industry:** Healthcare

**Description:** Syra Health assists public and private sector healthcare and life science organizations in addressing their most pressing challenges by providing forward-thinking, innovative, and long-term solutions. Our areas of expertise are behavioral health services, population health management, health equity solutions, value-based care solutions, health analytics, and healthcare education and outreach services.

**Chairman:** Sandeep Allam

**CEO:** Deepika Vuppalanchi

**Symbol:** TBD (planned NASDAQ)

## **Fundraising:**

**Pre-IPO (CLOSED):** 1M shares @ \$0.50 per share  
1.3M shares @ \$1 per share

**IPO (PENDING):** TBD

**Total Raise:** TBD

**IPO Date:** (Estimated) April 2023

## **Why Karmic Payback**

Emerging companies seeking growth are faced with daunting capitalization challenges. Company leadership needs access to money in order to fulfill the company's potential. But each choice for bringing in capital has a set of benefits and disadvantages.

There is no "right" answer to this common problem.

Karmic Payback has the solution. We excel at educating leaders of emerging companies on their financing options.

Syra Health was a perfect candidate to utilize an IPO for its fundraising goals, the leadership team initially thought an IPO would cause them to:

- Give up control
- Lose large positions of equity
- Need capital to fund the cost of the IPO

None of these three concerns were true. Karmic Payback solved all three problems for Syra.

## **The Backstory**

We were introduced to Sandeep Allam, the Executive Chairman for Syra Health and several other companies, in late 2021. Sandeep had grown all of his companies with internal cash flow, which was an

amazing accomplishment. However, he wanted to go after much larger contracts and those would require capital infusions that were beyond what Syra Health's current profits could generate.

Sandeep had many of the common concerns about using a public offering to raise money, but after just a few conversations with us, he quickly learned how powerful a public vehicle would be for his company. After a few months of consultative dialogue with Karmic Payback, the decision was made to position Syra Health as the first company under Sandeep's guidance to utilize an IPO on NASDAQ for growth capital.

### **Pre-IPO Round**

Karmic Payback helped Syra Health source the pre-IPO funds. The company offered \$0.50 shares in the first round. They then offered a 2<sup>nd</sup> round of \$1 shares. Pre-IPO funds were used for legal costs including SEC registration expenses, investment banker and consulting fees, PCAOB (Public Company Accounting Oversight Board) auditing/accounting, SEC-compliant bookkeeping and financial notes support, website/technology upgrades, marketing, and working capital for the company.

### **IPO Due Diligence**

An experienced investment bank was sourced by Karmic Payback to handle the IPO. The investment bank supplied a checklist that outlined every step needed to complete the IPO. Karmic Payback and the investment bank helped Syra Health source all necessary IPO services experts. Weekly calls were then scheduled between the attorneys, auditors, Karmic Payback, Sandeep, the CEO Deepika Vuppalachchi, and her leadership team.

The call agendas have included status reports and calls to action including:

- Audits (2 years)
- S-1 Registration
- Legal filings
- Marketing of the IPO (pitch deck, financials, etc.)
- Website overhaul (investor compliant/friendly)
- Press releases/general company marketing
- IPO timing and strategy

### **IPO Structure**

Sandeep had been approached by venture capital and private equity firms. Their plans usually required him to give up control of his holding company along with large portions of equity in exchange for funding. None of these firms offered to take one of his smaller companies like Syra Health public.

Karmic Payback showed him an alternative multi-stage path, where pre-IPO and IPO fundraising was intentionally structured to be less than the long-term needs of the company. This tiered approach will allow the company to maintain all management control and most of the equity. Once the company is public, a secondary raise at a larger valuation can then be offered to raise the long-term funds needed for acquisitions and/or growth.

A key requirement for this strategy includes having a strong investor relations ("IR") marketing source that brings awareness about the company to a deep network of millions of domestic and international investors. A budget will be set aside from the IPO raise that will be escrowed solely for the IR strategy. Karmic Payback strongly encourages that each company set up an IR escrow account.

### **IPO Results**

Syra Health is an exciting story. The IPO results remain to be seen. It is planned to open on the NASDAQ in April 2023.

## **The Added Value of Karmic Payback's Network**

When we work with a company, we focus primarily on helping them find capital. Our ability to source money is excellent. But we go far beyond just helping a company with fundraising.

We want to help our clients succeed in every way. For this, our network is our most valuable asset. As an example, Syra Health was brought to us by a valued investor in our network. They experienced success on some other deals and knew Sandeep personally. The introduction helped Sandeep find a better solution and helped Karmic Payback find a great client.

Syra Health is based in Indiana. They would love to expand into Texas, where we happen to be based. We have introduced Sandeep and the Syra Health leadership to individuals in our network that are uniquely positioned to help them cut through legislative red tape and bureaucratic inefficiencies to scale faster in Texas.

Karmic Payback also introduced Syra Health to a meta language provider that we are currently helping with fundraising. This will allow Syra Health to scale globally beyond English speaking clients. Both of those companies benefit from our network.

These are just a few examples of how Karmic Payback serves our clients in ways that add tremendous value to everyone involved.

We also help our clients find solutions within our network for accounting, legal, sales and marketing, financial, risk management, banking, and many other needs. Since we usually take an equity position in the companies, we are aligned with their long-term goals and offer these connections to the benefit of all stakeholders. It is our philosophy and mission to help in any way we can.

## **Next Steps**

Investors seeking opportunities and Companies seeking capital, please contact:

Karmic Payback  
[info@karmicpayback.com](mailto:info@karmicpayback.com)

[www.karmicpayback.com](http://www.karmicpayback.com)

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Contact: [info@karmicpayback.com](mailto:info@karmicpayback.com)