Risk Factors Comparison 2025-03-25 to 2024-03-11 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

Our business is subject to numerous ~~An investment in our securities involves a high degree of risk. You should consider carefully all of the~~ risks ~~described below, together with the other information contained in this Report and our final prospectus associated with our IPO, before making a decision to invest in our securities. If any of the following events occur, our business, financial condition and operating results may be materially adversely affected. In that event, the trading price of our securities could decline, and you could lose all or part of your investment. Risks Relating to our Search for, Consummation of, or Inability to Consummate, an~~ **and uncertainties. These** ~~Initial Business Combination and Post- Business Combination Risks~~ **risks include, but are not limited to: ●** We are a ~~recently incorporated~~ **pre- revenue and early- stage** company ~~with no~~ **that has a limited** operating history ~~and no revenues~~ , ~~and you have no basis on~~ which **could make it difficult** to ~~evaluate~~ **make any predictions about our future success** ~~our~~ - **or** ~~ability~~ **viability** ~~to achieve our business objective~~ . **●** We ~~are a recently incorporated company incorporated under the laws of the State of Delaware with no operating results, and we did not commence operations until obtaining funding through our IPO. Because we lack an operating history, you have no basis upon which to evaluate our ability to achieve our business objective of completing our initial business combination with one or more target businesses. We have no plans, arrangements or understandings with any prospective target business concerning a business combination and~~ may be unable to ~~complete~~ **successfully develop and commercialize** our **AirJoule technology** ~~initial business combination~~ . **● Demand for** ~~If we do not complete~~ our **products** ~~initial business combination, we will never generate any operating revenues. Our public stockholders~~ may not **grow** ~~be afforded an opportunity to vote on our~~ - **or** ~~proposed initial~~ **may grow at a slower rate than we anticipate. ● We are subject to risks associated with changing technology, product innovation, manufacturing techniques, operational flexibility and** business ~~combination~~ **continuity** , which ~~means we~~ may **put us at** ~~complete our initial business combination even though~~ a **competitive disadvantage** ~~majority of our public stockholders do not support such a combination~~ . **●** We may ~~choose not to hold a stockholder vote before we complete our initial business combination if the business combination would not require stockholder approval under applicable law or stock exchange listing requirement. For instance, if we were seeking to acquire a target business where the consideration we were paying in the transaction was all cash, we would not be required to seek stockholder approval to complete such a transaction. Except as required by law or stock exchange, the decision as to whether we will seek stockholder approval of a proposed business combination or will allow stockholders to sell their shares to us in 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 otherwise require us to seek stockholder approval. Accordingly, we may complete our initial business combination even if a majority of our public stockholders do not approve of the business combination we complete. Please see the section of this Report entitled " Item 1- Stockholders May Not Have the Ability to Approve our Initial Business Combination " for additional information. If we seek stockholder approval of our initial business combination, our sponsor, directors and each member of our management team have agreed to vote in favor of such initial business combination, regardless of how our public stockholders vote. Our initial stockholders (including our sponsor) own, on an as- converted basis, 20 % of our outstanding shares of common stock immediately following the completion of our IPO Our initial stockholders, directors and members of our management team also may from time to time purchase Class A common stock prior to our initial business combination. Our amended and restated certificate of incorporation provides that, if we seek stockholder approval of an initial business combination, such initial business combination will be approved if we receive the affirmative vote of a majority of the shares voted at such meeting, including the founder shares. If we submit our initial business combination to our public stockholders for a vote, pursuant to the terms of a letter agreement entered into with us, our sponsor, directors and each member of our management team have agreed to vote their founder shares and any shares purchased during or after the offering, in favor of our initial business combination. As a result, in addition to our initial stockholders' founder shares, we would need 1, 710, 340, or 16. 1 %, of the 10, 608, 178 public shares remaining after the June Redemptions to be voted in favor of an initial business combination in order to have our initial business combination approved (assuming all issued and outstanding shares are voted). Accordingly, if we seek stockholder approval of our initial business combination, the agreement by our sponsor and each member of our management team to vote in favor of our initial business combination will increase the likelihood that we will receive the requisite stockholder approval for such initial business combination. Your only opportunity to affect the investment decision regarding a potential business combination may be limited to the exercise of your right to redeem your shares from us for cash. At the time of your investment in us, you will not be provided with an opportunity to evaluate the specific merits or risks of one or more target businesses. Since our Board may complete a business combination without seeking stockholder approval, public stockholders may not have the right or opportunity to vote on the business combination, unless we seek such stockholder vote. Accordingly, your only opportunity to affect the investment decision regarding a potential business combination may be limited to exercising your redemption rights within the period of time (which will be at least 20 business days) set forth in our tender offer documents mailed to our public stockholders in which we describe our initial business combination. The ability of our public stockholders to redeem their shares for cash may make our financial condition unattractive to potential business combination targets, which may make it difficult for us to enter into a business combination with a target. We may seek to enter into a business combination transaction agreement with a prospective target that requires as a closing condition that we have a minimum net worth or a certain amount of cash. If too many public stockholders exercise their redemption rights, we would not be able to meet such closing condition and, as a result, would not be able to proceed with**

the business combination. Consequently, if accepting all properly submitted redemption requests would cause our net tangible assets to be less than the amount necessary to satisfy a closing condition as described above, we would not proceed with such redemption and the related business combination and may instead search for an alternate business combination. Prospective targets will be aware of these risks and, thus, may be reluctant to enter into a business combination transaction with us. The ability of our public stockholders to exercise redemption rights with respect to a large number of our shares may not allow us to complete the most desirable business combination or optimize our capital structure. In connection with the Extension, stockholders holding 18, 141, 822 shares of Class A common stock exercised their right to redeem such shares for a pro rata portion of the funds in the trust account. As a result, approximately $ 188, 132, 132 (approximately $ 10. 37 per share) was removed from the trust account to pay such redeeming holders. At the time we entered into an agreement for our initial business combination, we did not know how many stockholders may exercise their redemption rights, and therefore structured the transaction based on our expectations as to the number of shares that will be submitted for redemption. If we are required to use a portion of the cash in the trust account to satisfy the minimum Aggregate Transaction Proceeds (as defined in the Merger Agreement) under the Merger Agreement, we will need to reserve a portion of the cash in the trust account to meet such requirements, or arrange for third party financing. In addition, if a larger number of shares are submitted for redemption than we initially expected, we may need to restructure the transaction to reserve a greater portion of the cash in the trust account or arrange for additional third party financing. Raising additional third party financing may involve dilutive equity issuances or the incurrence of indebtedness at higher than desirable levels. The above considerations may limit our ability to complete the most desirable business combination available to us or optimize our capital structure. The amount of the deferred underwriting commissions payable to the underwriters will not be adjusted for any shares that are redeemed in connection with an initial business combination. The per- share amount we will distribute to stockholders who properly exercise their redemption rights will not be reduced by the deferred underwriting commission and after such redemptions, the amount held in trust will continue to reflect our obligation to pay the entire deferred underwriting commissions. The ability of our public stockholders to exercise redemption rights with respect to a large number of our shares could increase the probability that our initial business combination would be unsuccessful and that you would have to wait for liquidation in order to redeem your shares. If our initial business combination agreement requires us to use a portion of the cash in the trust account to pay the purchase price, or requires us to have a minimum amount of cash at closing, the probability that our initial business combination would be unsuccessful is increased. If our initial business combination is unsuccessful, you would not receive your pro rata portion of the trust account until we liquidate the trust account. If you are in need of immediate liquidity, you could attempt to sell your shares in the open market ; however, at such time our shares may trade at a discount to the pro rata amount per share in the trust account. In either situation, you may suffer a material loss on your investment or lose the benefit of funds expected in connection with our redemption until we liquidate or you are able to sell your shares in the open market. The requirement that we complete an initial business combination by March 14, 2024 (or such later date approved by the stockholders or the Board in accordance with our amended and restated certificate of incorporation, including the 2024 Extension) may give potential target businesses leverage over us in negotiating a business combination and may limit the time we have in which to conduct due diligence on potential business combination targets as we approach our dissolution deadline, which could undermine our ability to complete our initial business combination on terms that would produce value for our stockholders. Any potential target business with which we enter into negotiations concerning a business combination will be aware that we must complete an initial business combination by March 14, 2024 (or such later date approved by the stockholders or the Board in accordance with our amended and restated certificate of incorporation, including the 2024 Extension). Consequently, such target business may obtain leverage over us in negotiating a business combination, knowing that if we do not complete our initial business combination with that particular target business, we may be unable to complete our initial business combination with any target business. This risk will increase as we get closer to the timeframe described above. In addition, we may have limited time to conduct due diligence and may enter into our initial business combination on terms that we would have rejected upon a more comprehensive investigation. We may not be able to complete an initial business combination by March 14, 2024 (or such later date approved by the stockholders or the Board in accordance with our amended and restated certificate of incorporation, including the 2024 Extension), in which case we would cease all operations except for the purpose of winding up and we would redeem our public shares and liquidate, in which case our public stockholders may only receive $ 10. 80 per public share (as of December 29, 2023), or less than such amount in certain circumstances, and our warrants will expire worthless. We will have until March 14, 2024 (or such later date approved by the stockholders or the Board in accordance with our amended and restated certificate of incorporation, including the 2024 Extension) to complete an initial business combination. We may not be able to find a suitable target business and complete an initial business combination by March 14, 2024 (or such later date approved by the stockholders or the Board in accordance with our amended and restated certificate of incorporation, including the 2024 Extension). Our ability to complete our initial business combination may be negatively impacted by general market conditions, volatility in the capital and debt markets and the other risks described herein. If we have not completed an initial business combination within such applicable time period or such later date as approved by our stockholders or the Board, we 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 us to pay our taxes, if any (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), subject to applicable law; and (iii) as promptly as reasonably possible following such redemption, subject to the approval of our remaining stockholders and our Board, 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. If we seek

stockholder approval of our initial business combination, our sponsor, directors, officers, advisors and their affiliates may elect to purchase shares or public warrants from public stockholders, which may influence a vote on a proposed business combination and reduce the public " float " of our Class A common stock. 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, directors, executive officers, advisors or their affiliates may purchase shares or public warrants in privately negotiated transactions or in the open market prior to the completion of our initial business combination, where otherwise permissible under applicable laws, rules and regulations, although they are under no obligation to do so. However, other than as expressly stated herein, 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. None of the funds in the trust account will be used to purchase shares or public warrants in such transactions. Such a purchase may include a contractual acknowledgment that such stockholder, although still the record holder of our shares is no longer the beneficial owner thereof and therefore agrees to vote in favor of the initial business combination or abstain and in any event not to exercise its redemption rights. In the event that our sponsor, directors, executive officers, advisors or their affiliates purchase shares in privately negotiated transactions from public stockholders who have already elected to exercise their redemption rights, such selling stockholders would be required to revoke their prior elections to redeem their shares. The purpose of any such purchases of shares could be to vote such shares in favor of the business combination, or abstain, and thereby increase the likelihood of obtaining stockholder approval of the 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 public 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. 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. See " Item 1- Permitted Purchases of Our Securities " for a description of how our sponsor, directors, executive officers, advisors or any of their affiliates will select which stockholders to purchase securities from in any private transaction. In addition, if such purchases are made, the public " float " of our Class A common stock or public warrants and the number of beneficial holders of our securities may be reduced, possibly making it difficult to maintain or obtain the quotation, listing or trading of our securities on a national securities exchange. If a stockholder fails to receive notice of our offer to redeem our public shares in connection with our initial business combination, or fails to comply with the procedures for tendering its shares, such shares may not be redeemed. We will comply with the proxy rules or tender offer rules, as applicable, when conducting redemptions in connection with our initial business combination. Despite our compliance with these rules, if a stockholder fails to receive our proxy solicitation or tender offer materials, as applicable, such stockholder may not become aware of the opportunity to redeem its shares. In addition, the proxy solicitation or tender offer materials, as applicable, that we will furnish to holders of our public shares in connection with our initial business combination will describe the various procedures that must be complied with in order to validly redeem or tender public shares. For example, we may require our public stockholders seeking to exercise their redemption rights, whether they are record holders or hold their shares in " street name, " to either tender their certificates to our transfer agent prior to the date set forth in the tender offer documents or proxy materials mailed to such holders, or up to two business days prior to the vote on the proposal to approve the business combination in the event we distribute proxy materials, or to deliver their shares to the transfer agent electronically. In the event that a stockholder fails to comply with these or any other procedures, its shares may not be redeemed. See the section of this Report entitled " Item 1- Tendering Share Certificates in Connection with a Tender Offer or Redemption Rights. " You will not have any rights or interests in funds from the trust account, except under certain limited circumstances. Therefore, to liquidate your investment, you may be forced to sell your public shares or public warrants, potentially at a loss. Our public stockholders will be entitled to receive funds from the trust account only upon the earlier to occur of: (i) our completion of an initial business combination, and then only in connection with those shares of our Class A common stock that such stockholder properly elected to redeem, subject to the limitations described herein, (ii) the redemption of any public shares properly tendered in connection with a stockholder vote to amend our amended and restated certificate of incorporation (A) to modify the substance or timing of the company' s obligation to allow redemption in connection with its initial business combination or to redeem 100 % of the Class A common stock if the company has not consummated an initial business combination by March 14, 2024 (or such later date approved by the stockholders or the Board in accordance with our amended and restated certificate of incorporation, including the 2024 Extension) or (B) with respect to any other provisions of the amended and restated certificate of incorporation relating to stockholders' rights or pre- initial business combination activity, and (iii) the redemption of our public shares if we have not completed an initial business by March 14, 2024 (or such later date approved by the stockholders or the Board in accordance with our amended and restated certificate of incorporation, including the 2024 Extension), subject to applicable law and as further described herein. Public stockholders who redeem their Class A common stock in connection with a stockholder vote described in clause (ii) in the preceding sentence shall not be entitled to funds from the trust account upon the subsequent completion of an initial business combination or liquidation if we have not completed an initial business combination by March 14, 2024 (or such later date approved by the stockholders or the Board in accordance with our amended and restated certificate of incorporation, including the 2024 Extension), with respect to such Class A common stock so redeemed. In addition, if we do not complete an initial business combination by March 14, 2024 (or such later date approved by the stockholders or the Board in accordance with our amended and restated certificate of incorporation, including the 2024 Extension), compliance with Delaware law may require that we submit a plan of dissolution to our then-existing stockholders for approval prior to the distribution of the proceeds held in our trust account. In that case, public stockholders may be forced to wait beyond March 14, 2024 (or such later date approved by the stockholders or the Board in

accordance with our amended and restated certificate of incorporation, including the 2024 Extension) before they receive funds from our trust account. In no other circumstances will a public stockholder have any right or interest of any kind in the trust account. Holders of public warrants will not have any right to the proceeds held in the trust account with respect to the warrants. Accordingly, to liquidate your investment, you may be forced to sell your public shares or public warrants, potentially at a loss. You will not be entitled to protections normally afforded to investors of many other blank check companies. Since the net proceeds of our IPO and the sale of the private placement warrants are intended to be used to complete an initial business combination with a target business that has not been selected, we may be deemed to be a " blank check " company under the United States securities laws. However, because we have net tangible assets in excess of $ 5, 000, 000 from the successful completion of our IPO and the sale of the private placement warrants and have filed a Current Report on Form 8- K, including an audited balance sheet demonstrating this fact **face** , we are exempt from rules promulgated by the SEC to protect investors in blank check companies, such as Rule 419. Accordingly, investors will not be afforded the benefits or protections of those rules. Among other things, this means our units will be immediately tradable and we will have a longer period of time to complete our initial business combination than do companies subject to Rule 419. Moreover, if our IPO were subject to Rule 419, that rule would prohibit the release of any interest earned on funds held in the trust account to us unless and until the funds in the trust account were released to us in connection with our completion of an initial business combination. Because of our limited resources, the number of special purpose acquisition companies evaluating targets and the significant competition **from established** for business combination opportunities, it may be more difficult for us to complete our initial business combination. If we do not complete our initial business combination, our public stockholders may receive only their pro rata portion of the funds in the trust account that are available for distribution to public stockholders, and our warrants will expire worthless. In recent years, the number of special purpose acquisition companies that have **longer operating histories, customer incumbency advantages, access to** been formed has increased substantially. Many potential targets for special purpose acquisition companies have already entered into an **and** initial business combination, **influence with governmental authorities** and **more capital resources than we do. ● The estimates and assumptions we use to determine** there -- **the size of the total addressable market** are **based on a number of internal** still many special purpose acquisition companies preparing for an **and** initial public offering **third- party estimates** , as well as many such companies currently in registration. As a result, we expect to encounter intense competition from other entities having a business objective similar to ours, including private investors (which may be individuals **incorrect and such inaccuracy could materially and adversely affect** or **our** investment partnerships), other blank check companies and other entities, domestic and international, competing for the types of businesses -- **business** we intend to acquire . Many of these individuals and entities are well- established and **● We may need to defend ourselves against claims that we infringe,** have **misappropriated** extensive experience in identifying and effecting, directly or indirectly, acquisitions of companies operating in or providing services to various industries. Many of these competitors possess greater technical, human and other resources or more local industry knowledge than we do and our - **or otherwise violate** financial resources will be relatively limited when contrasted with those -- **the intellectual property rights** of many of these competitors. Furthermore, this competition for available targets with attractive fundamentals or business models could cause target companies to demand improved financial terms. While we believe there are numerous target businesses we could potentially acquire with the net proceeds of our IPO and the sale of the private placement warrants, our ability to compete with respect to the acquisition of certain target businesses that are sizable will be limited by our available financial resources. This inherent competitive limitation gives others an advantage in pursuing the acquisition of certain target businesses. Furthermore , **which** we are obligated to offer holders of our public shares the right to redeem their shares for cash at the time of our initial business combination in conjunction with a stockholder vote or via a tender offer. Target companies will be aware that this may reduce the resources available to us for our initial business combination. Any of these obligations may place us at a competitive disadvantage in successfully negotiating a business combination. If we do not complete our initial business combination our public stockholders may receive only their pro rata portion of the funds in the trust account that are available for distribution to public stockholders, and our warrants will expire worthless. If the net proceeds of our IPO and the sale of the private placement warrants not being held in the trust account are insufficient to allow us to operate until March 14, 2024 (or such later date approved by the stockholders or the Board in accordance with our amended and restated certificate of incorporation, including the 2024 Extension), it could limit the amount available to fund our search for a target business or businesses and complete our initial business combination, and we will depend on loans from our sponsor or management team to fund our search and to complete our initial business combination. The funds available to us outside of the trust account to fund our working capital requirements may not be sufficient to allow us to operate until March 14, 2024 (or such later date approved by the stockholders or the Board in accordance with our amended and restated certificate of incorporation, including the 2024 Extension), assuming that our initial business combination is not completed during that time. We believe that the funds available to us outside of the trust account, together with funds available from loans from our sponsor will be sufficient to allow us to operate until March 14, 2024 (or such later date approved by the stockholders or the Board in accordance with our amended and restated certificate of incorporation, including the 2024 Extension) ; however, we cannot assure you that our estimate is accurate. Of the funds available to us, we expect to use a portion of the funds available to us to pay fees to consultants to assist us with our search for a target business. We could also use a portion of the funds as a down payment or to fund a " no- shop " provision (a provision in letters of intent designed to keep target businesses from " shopping " around for transactions with other companies or investors on terms more favorable to such target businesses) with respect to a particular proposed business combination, although we do not have any current intention to do so. If we entered into a letter of intent where we paid for the right to receive exclusivity from a target business and were subsequently required to forfeit such funds (whether as a result of our breach or otherwise), we might not have sufficient funds to continue searching for, or conduct due diligence with respect to, a target business. If we do not complete our initial business combination, our public stockholders may receive only approximately $ 10. 80 per public share

based on the balance of the trust account as of December 29, 2023, on the liquidation of our trust account and our warrants will expire worthless. In certain circumstances, our public stockholders may receive less than the $ 10. 10 per public share initially deposited in the trust account, upon our liquidation. See "- If third parties bring claims against us, the proceeds held in the trust account could be reduced and the per- share redemption amount received by stockholders may be **time- consuming** less than $ 10. 10 per share initially deposited in the trust account, " and other risk factors below. If we are required to seek additional capital, we would need to borrow funds from our sponsor, management team or other third parties to operate or may be forced to liquidate. Neither our sponsor, members of our management team nor any of their affiliates is under any obligation to advance funds to us in such circumstances. Any such advances would be repaid only from funds held outside the trust account or from funds released to us upon completion of our initial business combination. Up to $ 1, 500, 000 of such loans may be convertible into warrants of the post- business combination entity at a price of $ 1. 00 per warrant at the option of the lender. The warrants would be identical to the private placement warrants. Prior to the completion of our initial business combination, 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. If we are unable to obtain these loans, we may be unable to complete our initial business combination. If we do not complete our initial business combination because we do not have sufficient funds available to us, we will be forced to cease operations and liquidate the trust account. Consequently, our public stockholders may only receive an estimated $ 10. 80 per public share based on the balance of the trust account as of December 29, 2023, or possibly less, on our redemption of our public shares, and our warrants will expire worthless. In certain circumstances, our public stockholders may receive less than the $ 10. 10 per public share initially deposited in the trust account, on the redemption of their shares. See "- If third parties bring claims against us, the proceeds held in the trust account could be reduced and the per- share redemption amount received by stockholders may be less than $ 10. 10 per public share initially deposited in the trust account, " and other risk factors below. Subsequent to our completion of our initial business combination, we may be required to take write- downs or write- offs, restructuring and impairment or other charges that could have a significant negative effect on our financial condition, results of operations and our share price, which could cause you to lose some or all of your investment. Even if we conduct due diligence on a target business with which we combine, we cannot assure you that this diligence will surface all material issues with a particular target business, that it would be possible to uncover all material issues through a customary amount of due diligence, or that factors outside of the target business and outside of our control will not later arise. As a result of these factors, we may be forced to later write- down or write- off assets, restructure our operations, or incur impairment or other charges that could result in our reporting losses. Even if our due diligence successfully identifies certain risks, unexpected risks may arise and previously known risks may materialize in a manner not consistent with our preliminary risk analysis. Even though these charges may be non- cash items and not have an immediate impact on our liquidity, the fact that we report charges of this nature could contribute to negative market perceptions about us or our securities. In addition, charges of this nature may cause us to **incur substantial costs related** violate net worth or other covenants to which we **potential litigation or expensive licenses. ● We** may be subject **to cyber** as a result of assuming pre- **attacks or** existing debt held by a target **failure in our information technology and data security infrastructure that could adversely affect our** business or by virtue of our obtaining post- combination debt financing. Accordingly, any stockholders who choose to remain stockholders following the business combination could suffer a reduction in the value of their securities. Such stockholders are unlikely to have a remedy for such reduction in value unless they are able to successfully claim that the reduction was due to the breach by our officers or directors of a duty of care or other fiduciary duty owed to them, or if they are able to successfully bring a private claim under securities laws that the proxy solicitation or tender offer materials, as applicable, relating to the business combination contained an **and operations** actionable material misstatement or material omission . **● Increased scrutiny** If third parties bring claims against us, the proceeds held in the trust account could be reduced and the per- share redemption amount received by stockholders may be less than $ 10. 10 per public share initially deposited in the trust account. Our placing of **environmental** funds in the trust account may not protect those funds from third- party claims against us. Although we will seek to have all vendors , service providers **social, and governance** (other than our independent auditors), 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 execute an agreement waiving such claims to the monies held in the trust account, our management will perform an analysis of the alternatives available to it and will only enter into an agreement with a third party that has not executed a waiver if management believes that such third party' s engagement would be significantly more beneficial to us than any alternative. Making such a request of potential target businesses may make our acquisition proposal less attractive to them and, to the extent prospective target businesses refuse to execute such a waiver, it may limit the field of potential target businesses that we might pursue. 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. 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 have not completed an initial business combination by March 14, 2024 (or such later date approved by the stockholders or the Board in accordance with our amended and restated certificate of incorporation, including the 2024 Extension), 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 ten years following redemption. Accordingly, the per- share redemption amount received by public stockholders could be less than the $ 10. 10 per public share initially held in the trust account, due to claims of such creditors. Pursuant to the letter agreement entered into in connection with our IPO, our sponsor has agreed that it will be liable to us if and to the extent any claims by a third party (other than our independent auditors) for services rendered or products sold to us, or a prospective target business with which we have discussed entering into a transaction agreement, reduce the amounts in the trust account to below the lesser of (i) $ 10. 10 per public share, and (ii) the actual amount per share held in the trust account as of the date of the liquidation of the trust account if less than $ 10. 10 per public share, due to reductions in the value of the trust assets, in each case net of the interest that may be withdrawn to pay our taxes, if any, provided that such liability will not apply to any claims by a third party or prospective target business that executed a waiver of any and all rights to seek access to the trust account nor will it apply to any claims under our indemnity of the underwriters of our IPO against certain liabilities, including liabilities under the Securities Act. Moreover, 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. 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. 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. 10 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. Our directors may decide not to enforce the indemnification obligations of our sponsor, resulting in a reduction in the amount of funds in the trust account available for distribution to our public stockholders. In the event that the proceeds in the trust account are reduced below the lesser of (i) $ 10. 10 per public share, and (ii) the actual amount per share held in the trust account as of the date of the liquidation of the trust account if less than $ 10. 10 per public share, due to reductions in the value of the trust assets, in each case net of the interest that may be withdrawn to pay our taxes, if any, and our sponsor assert that it is unable to satisfy its 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 and subject to their fiduciary duties may choose not to do so in any particular instance. If our independent directors choose not to enforce these indemnification obligations, the amount of funds in the trust account available for distribution to our public stockholders may be reduced below $ 10. 10 per public share. We may not have sufficient funds to satisfy indemnification claims of our directors and executive officers. We have agreed to indemnify our officers and directors to the fullest extent permitted by law. However, our officers and directors have agreed to waive any right, title, interest or claim of any kind in or to any monies in the trust account and to not seek recourse against the trust account for any reason whatsoever (except to the extent they are entitled to funds from the trust account due to their ownership of public shares). Accordingly, any indemnification provided will be able to be satisfied by us only if (i) we have sufficient funds outside of the trust account or (ii) we complete an initial business combination. Our obligation to indemnify our officers and directors may discourage stockholders from bringing a lawsuit against our officers or directors for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against our officers and directors, even though such an action, if successful, might otherwise benefit us and our stockholders. Furthermore, a stockholder' s investment may be adversely affected to the extent we pay the costs of settlement and damage awards against our officers and directors pursuant to these indemnification provisions. If, after we distribute the proceeds in the trust account to our public stockholders, we file a bankruptcy or winding- up petition or an involuntary bankruptcy or winding- up petition is filed against us that is not dismissed, a bankruptcy or insolvency court may seek to recover such proceeds, and the members of our Board may be viewed as having breached their fiduciary duties to our creditors, thereby exposing the members of our Board and us to claims of punitive damages. If, after we distribute the proceeds in the trust account to our public stockholders, we file a bankruptcy or winding- up petition or an involuntary bankruptcy or winding- up petition is filed against us that is not dismissed, any distributions received by stockholders could be viewed under applicable debtor / creditor and / or bankruptcy or insolvency laws as either a " **ESG** preferential transfer " or a " fraudulent conveyance. " As a result, a bankruptcy or insolvency court could seek to recover some or all amounts received by our stockholders. In addition, our Board may be viewed as having breached its fiduciary duty to our creditors and / or having acted in bad faith, thereby exposing itself and us to claims of punitive damages, by paying public stockholders from the trust account prior to addressing the claims of creditors. If, before distributing the proceeds in the trust account to our public stockholders, we file a bankruptcy or winding- up petition or an involuntary bankruptcy or winding- up petition is filed against us that is not dismissed, the claims of creditors in such proceeding may have priority over the claims of our stockholders and the per- share amount that would otherwise be received by our stockholders in connection with our liquidation may be reduced. If, before distributing the proceeds in the trust account to our public stockholders, we file a bankruptcy or winding- up petition or an involuntary bankruptcy or winding- up petition is filed against us that is not dismissed, the proceeds held in the trust account could be subject to applicable bankruptcy or insolvency 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, the per- share amount that would otherwise be received by our stockholders in connection with our liquidation may be reduced. Our stockholders may be held liable for claims by third parties against us to the extent of distributions received by them upon redemption of their shares. Under the Delaware General Corporation Law (the "

~~DGCL~~ ") **matters** , ~~stockholders may be held liable for claims~~ **including our completion of certain ESG initiatives, could have an adverse effect on our business, financial condition and results of operations, result in reputational harm and negatively impact the assessments made** by **ESG- focused investors when evaluating us** ~~third parties against a corporation to the extent of distributions received by them in a dissolution~~ . **● Our** ~~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 March 14, 2024 (or such later date approved by the stockholders or the Board in accordance with our amended and restated certificate of incorporation, including the 2024 Extension) may be considered a liquidating distribution under Delaware law. If a 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. However, it is our intention to redeem our public shares as soon as reasonably possible following March 14, 2024 (or such later date approved by the stockholders or the Board in accordance with our amended and restated certificate of incorporation, including the 2024 Extension) in the event we do not complete our initial business combination and, therefore, we do not intend to comply with the foregoing procedures. 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 10 years following our dissolution. 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. If our plan of distribution complies with Section 281 (b) of the DGCL, 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 likely be barred after the third anniversary of the dissolution. We cannot assure you that we will properly assess all claims that may be potentially brought against us. 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 beyond the third anniversary of such date. 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 March 14, 2024 (or such later date approved by the stockholders or the Board in accordance with our amended and restated certificate of incorporation, including the 2024 Extension) 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. We may seek acquisition opportunities in industries or sectors which may be outside of our management' s area of expertise. We will consider a business combination outside of our management' s area of expertise if a business combination candidate is presented to us and we determine that such candidate offers an attractive acquisition opportunity for our company. Although our management will endeavor to evaluate the risks inherent in any particular business combination candidate, we cannot assure you that we will adequately ascertain or assess all of the significant risk factors. We also cannot assure you that an investment in our securities will not ultimately prove to be less favorable to investors in our IPO than a direct investment, if an opportunity were available, in a business combination candidate. In the event we elect to pursue an acquisition outside of the areas of our management' s expertise, our management' s expertise may not be directly applicable to its evaluation or operation, and the information contained in this Report regarding the areas of our management' s expertise would not be relevant to an understanding of the business that we elect to acquire. As a result, our management may not be able to adequately ascertain or assess all of the significant risk factors. Accordingly, any stockholder who choose to remain stockholders following our business combination could suffer a reduction in the value of their shares. Such stockholders are unlikely to have a remedy for such reduction in value. Although we have identified general criteria and guidelines that we believe are important in evaluating prospective target businesses and our strategy is to identify, acquire and build a company in our target investment area, we may enter into our initial business combination with a target that does not meet such criteria and guidelines, and as a result, the target business with which we enter into our initial business combination may not have attributes entirely consistent with our general criteria and guidelines. Although we have identified general criteria and guidelines for evaluating prospective target businesses and our strategy is to identify, acquire and build a company in our target investment area, it is possible that a target business with which we enter into our initial business combination will not have attributes consistent with our general criteria and guidelines. If we complete our initial business combination with a target that does not meet some or all of these guidelines, such combination may not be as successful as a combination with a business that does meet all of our general criteria and guidelines. In addition, if we announce a prospective business combination with a target that does not meet our general criteria and guidelines, a greater number of stockholders may exercise their redemption rights, which may make it difficult for us to meet any closing condition with a target business that requires us to have a minimum net worth or a certain amount of cash. In addition, if stockholder approval of the transaction is required by law, or we decide to obtain stockholder approval for business or other legal reasons, it may be more difficult for us to attain stockholder approval of our initial business combination if the target business does not meet our general criteria and guidelines. If we do not complete our initial business combination, our public stockholders may only receive their pro rata portion of the funds in the trust account that are available for distribution to public stockholders, and our warrants will expire worthless. We may seek business combination opportunities with a financially unstable business or an entity lacking an established record of revenue, cash flow or~~

~~earnings, which could subject us to volatile revenues, cash flows or earnings or difficulty in retaining key personnel. To the extent we complete our initial business combination with an early stage company, a financially unstable business or an entity lacking an established record of revenues or earnings, we~~ may be affected by ~~numerous risks inherent in~~ **force majeure events outside of our control, including labor unrest, civil disorder, war, subversive activities or sabotage, climate change, including** the **increased frequency or severity of natural and catastrophic events and changes in climate change policies and any future widespread public health crisis may negatively impact our business and** operations ~~of the~~ **. ● Our** business **is subject to liabilities and operating restrictions arising from environmental, health and safety laws, regulations and permits across multiple jurisdictions. ● We may incur higher costs, including costs to comply** with **new or more stringent environmental, health and safety laws and regulations,** which **may decrease** ~~we combine. These risks include investing in a business without a proven business model or~~ **our profitability. ● Our failure to protect our intellectual property rights may undermine our competitive position, and litigation associated** with ~~limited historic financial data, volatile revenues or~~ **our intellectual** ~~earnings, intense competition and difficulties in obtaining and retaining key personnel. Although our officers and directors will endeavor to evaluate the risks inherent in a particular target business, we may not be able to properly~~ **property rights** ~~ascertain or assess all of the relevant risk factors and we may not have adequate time to complete due diligence. Furthermore, some of these risks~~ may be **costly. PART I Item 1.** ~~outside of our control and leave us with no ability to control or reduce the chances that those risks will adversely impact a target business~~ **Business** . **Overview** We are ~~not required~~ **a water harvesting technology company that produces pure distilled water by harvesting the water vapor in the atmosphere. Our proprietary AirJoule system, once commercialized, will provide cost- effective water to businesses and consumers around the world and help address growing concerns around water scarcity. Our system is especially valuable for industrial users, which generate significant amounts of waste heat that can be utilized to produce pure distilled water and dehumidified air –** ~~to~~ **two key inputs for a variety of industrial activities, including data centers and advanced manufacturing. In HVAC applications, our AirJoule technology is designed to reduce energy consumption, minimize or even eliminate the use of environmentally- harmful refrigerants, and generate material cost efficiencies for air conditioning systems. We are focused on commercialization and scaling manufacturing of our AirJoule systems through our global partnerships, including with GE Ventures LLC " GE Vernova " and Carrier Global Corporation (" Carrier "), and we believe that deploying AirJoule units worldwide can help to improve water security and reduce global emissions. We plan to manufacture AirJoule units capable of producing 1, 000 liters per day in 2025, which we intend to use for customer demonstrations, and we expect to scale capacities for commercial sales in 2026. Company Background Our Predecessor, established in 2018, worked closely with researchers at the Pacific Northwest National Laboratory (" PNNL ") to develop enhancements to its self- regenerating pressure swing dehumidifier technology. In 2020, the Predecessor executed a strategic project partnership agreement with PNNL, and in 2021,** ~~obtain~~ **obtained** an ~~opinion~~ **exclusive worldwide license** from **PNNL with respect to the technology. Our Predecessor then spent several years developing the pressure swing technology, securing additional intellectual property protection, producing multiple prototypes, and assembling partnerships with leading global companies including GE Vernova and Carrier. See " Our Competitive Strengths — Our Partners. " In June 2023, we entered into** an ~~independent accounting~~ **Agreement and Plan of Merger (" the Merger Agreement ") with the Predecessor, which was consummated through a Business Combination on March 14, 2024. In connection with closing the Business Combination, we changed** ~~or~~ **our name** ~~investment banking firm, and consequently, you may have no assurance~~ from ~~an independent source that the price we are paying for the business is fair to our stockholders from a financial point of view. Unless we complete our initial business combination with an affiliated entity, we are not required to obtain an opinion from an independent accounting firm or independent investment banking firm that the price we are paying is fair to our stockholders from a financial point of view. If no opinion is obtained, our stockholders will be relying on the judgment of our Board, who will determine fair market value based on standards generally accepted by the financial community. Such standards used will be disclosed in our proxy solicitation or tender offer materials, as applicable, related to our initial business combination. Past performance by our sponsor and its affiliates,~~ Power & Digital Infrastructure Acquisition **II** Corp. **to Montana Technologies Corporation. In November 2024, to better align our name with our business operations and proprietary technology, we changed our name from Montana Technologies Corporation to AirJoule Technologies Corporation, and our wholly- owned subsidiary changed its name from Montana Technologies LLC to AirJoule Technologies LLC. The AirJoule Technology Advanced Sorbents AirJoule is a transformational technology that uses an advanced sorbent, in conjunction with a proprietary pressure swing system, to cost- effectively harvest pure distilled water from air. At present, the sorbent used in AirJoule systems is a proprietary metal organic framework** (" **MOF** ~~XPDI I~~ ") **. MOFs are a class of porous** , ~~XMS, TEP or~~ **crystalline materials composed of metal ions** ~~our~~ **or** ~~management team~~ **clusters coordinated to organic ligands, forming highly ordered, three- dimensional structures. Known for their exceptionally high surface areas, which often surpass that of traditional porous materials, MOFs can be engineered at the molecular level to adsorb certain molecules from the air. Adsorption occurs when a molecule of one substance binds to the surface of another molecule (in contrast to absorption, where one material is taken into the bulk of another material). Desorption is the opposite process, whereby a molecule is released from the surface of another molecule. MOFs have been widely studied for their potential applications in various fields** , including **gas storage and separation, catalysis, sensing, and drug delivery. MTMOF1 is the specific MOF used by AirJoule, which is manufactured by BASF using our proprietary formula. MTMOF1 is highly engineered to adsorb water vapor molecules, and it can adsorb more than 50 % of its weight in water vapor. Pressure Swing System Our proprietary pressure swing system integrates adsorption and desorption functions, so the heat of adsorption can be used to assist desorption under vacuum, eliminating or reducing the need for additional energy. In one chamber, ambient air is passed over heat exchangers coated with a paper- thin film of MOF (the " coated contactors "), pulling water vapor into the material' s**

nano- sized pores. The heat that is generated from adsorbing water vapor is ~~the~~ then transferred to the other chamber to help release water previously captured in the MOF pores. An air purge pump creates a light vacuum pressure to help release the water vapor from the MOF. Once the high- capacity MOF has released the water vapor, the twin chambers reverse their functions and the cycle repeats, reducing the need to add heat or cooling to the process. By balancing the heat transfer between chambers, the system works to minimize energy consumption and allows the AirJoule system to continuously operate at ambient temperature with less energy required than existing water harvesting or dehumidification systems, assuming air temperature of 80 ° F and 60 % relative humidity. Additionally, AirJoule can utilize low- grade waste heat, which is available at nearly all industrial operations globally, including data centers, to enhance its own internally- generated heat to reduce the amount of energy required and significantly improve efficiency. Assuming air temperature of 80 ° F and 60 % relative humidity, the US Department of Energy estimates that as much as 50 % of industrial energy input is lost as waste heat and a significant portion of this is low- grade heat, which when integrated into an AirJoule system, can further reduce the required energy. We anticipate that our pre- production units will be able to deliver over 1, 000 liters of water per day at or below 130 Wh / L when utilizing low- grade waste heat. AirJoule operates as follows: Ambient air is drawn through MOF- coated contactors, and water vapor is captured through adsorption; Once MOF is full of water vapor, chamber doors close and vacuum is applied; The heat of adsorption is transferred to the closed chamber to assist with desorption; Under vacuum, water vapor is released from the MOF through desorption and is drawn into the vacuum swing compressor, which slightly compresses the water vapor so that it condenses to liquid water inside the vacuum condenser. In applications where waste heat is utilized, there is no need for a vacuum swing compressor; Water vapor capture and release cycles occur simultaneously in separate chambers; internal heat is recovered which enables superior energetics. Industry Background Water Harvesting According to the World Resources Institute, 25 % of the global population lives in countries facing extremely high water stress, with as many as four billion people already exposed to water stress conditions for at least one month per year. As a result of the rising degradation and disappearance of natural ecosystems that provide clean water and alleviate floods and other risks, the World Resources Institute estimates that demand for water will increase by up to 30 % by 2050. The map below reflects the projected ratio of water withdrawals to water supply by country in 2040. The Earth' s atmosphere continuously cycles and redistributes water vapor through the natural process of evaporation from oceans, lakes, and rivers, facilitating the ongoing replenishment and global distribution of water resources. While the water vapor in the atmosphere represents an enormous untapped resource of freshwater, the challenge has been to access it cost- effectively. The methods used to try to harvest potable water from air generally utilize conventional refrigerant- based systems or desiccant- based systems and have failed to achieve a competitive cost of the harvested water due to their energy requirements. We believe that AirJoule' s transformational technology and unprecedented energy efficiency for separating water from air provides the superior energetics necessary to tap into the largest aquifer on the planet. Industrial Dehumidification When AirJoule separates and collects water from air, the air is dehumidified. Dehumidification plays a critical role in maintaining optimal environmental conditions across a variety of industries, including manufacturing, food processing, pharmaceuticals, data centers, and storage facilities. Dehumidification systems are designed to regulate humidity levels, preventing issues such as corrosion, mold growth, and equipment damage that can arise from excessive moisture. Demand for industrial dehumidifiers is driven by the need to enhance operational efficiency, ensure product quality, and comply with stringent environmental and safety standards. The sector is characterized by an urgent need for innovation to increase energy efficiency. While separating water from air, AirJoule technology produces dehumidified air at unprecedented high efficiencies yielding significant operating expense savings for customers that require dehumidified air in their operations. According to The Brainy Insights, the global HVAC system market was valued at approximately $ 214 billion in 2022 and is expected to reach a value of approximately $ 358 billion by 2032 at a compound annual growth rate of 5. 27 % from 2023 to 2032. The Rocky Mountain Institute estimates that cooling demand in developing economies will increase 5x by 2050, with global stock of air conditioners in buildings growing by approximately 4 billion units by 2050, which amounts to nearly 4 new air conditioners sold every second for the next 25 years. Further, according to the U. S. Energy Information Administration, the single largest demand for power in the United States is HVAC for buildings, accounting for approximately 32. 1 % of total residential energy use. In 2020, cooling the interior of residential and commercial buildings accounted for about 10 % of the United States' total energy usage. Our AirJoule system has the potential to make HVAC systems more efficient by reducing energy use and lowering costs for air conditioning by up to 50 %, depending on the environmental conditions and method of integration into the HVAC system. There are various types of HVAC systems, but the basic mechanisms are similar across all types. A mechanical system is used to draw in air, which is dehumidified and adjusted to the desired temperature. The dehumidification step occurs when the temperature is lowered using refrigerants and water vapor in the air condenses into water. During this process, condensation heat is generated. Thus, the cooling mechanism must be powerful enough so that the cooling effect exceeds the rise in temperature resulting from condensation heat in order to lower the net temperature of the environment in which this system is being used. Therefore, a significant amount of energy is required to offset condensation heat and lower the indoor temperature, particularly in increasingly hot and humid environments. A recent study found that the removal of humidity in air conditioning requires more energy than the temperature reduction itself and is responsible for more than 1 % of all global greenhouse gas emissions. When integrated with an air conditioning system, AirJoule produces dehumidified air, lowering the overall energy requirements for the system and reduces operating expenses for customers. Additionally, AirJoule integration into an air conditioning system is expected to reduce the need for environmentally harmful refrigerants. Growth Strategy and Outlook We anticipate significant growth opportunities by offering AirJoule in global

markets where demand for water, dehumidified air and cooling are highest. With our proprietary technology, we believe that we are uniquely positioned to provide curated solutions that satisfy our customers' needs and expectations in fast-growing and water and energy- intensive industries, such as data centers and advanced manufacturing, along with military and HVAC applications. We estimate the combined total addressable market to be approximately $ 450 billion. In the data center arena, we aim to address escalating energy and water efficiency challenges associated with increased computing density by using low- grade waste heat to produce pure distilled water and enabling data center operators to reduce their cooling costs and improve water sustainability. Similarly, in advanced manufacturing environments, where product quality and process precision hinge on consistent humidity and ultra- pure water, AirJoule can help customers with cost- effective dehumidification. The military sector presents a distinct opportunity, as AirJoule is able to operate in a variety of climate conditions to support troops in remote and water- scarce environments, ensuring mission readiness and resilience. In the HVAC space, where building owners and facility managers are under pressure to cut energy consumption and improve indoor air quality, AirJoule' s superior moisture removal capability is expected to reduce power consumption and the use of refrigerants in air conditioning systems. To accelerate market penetration and scale our manufacturing capabilities, we plan to leverage our strategic partnerships, which are discussed below. These partnerships offer access to industry- specific R & D expertise, mature supply chains, established sales channels, and extensive service networks, allowing us to quickly move from pilot deployments to full- scale commercialization. We intend to co- develop sector- specific solutions, capitalizing on our partners' market insights and reputational strength to better serve diverse customer needs. By combining our innovative AirJoule technology with their global reach and operational expertise, we will unlock value across multiple industries, establish our position as a leader in water- focused solutions, and deliver long- term growth and value to our shareholders. Our Product AirJoule enables humanity to cost-effectively access the vast freshwater resource available in the earth' s atmosphere. Its proprietary pressure swing system and use of advanced sorbents yields an unprecedented level of energy efficiency when compared to existing water harvesting and dehumidification systems that rely on refrigerants or desiccants. Because it produces pure distilled water and dehumidified air, AirJoule' s applications are numerous. AirJoule can be deployed on a standalone basis to harvest water from air or provide customers with dehumidified air. We expect it can be integrated into a data center or other industrial operation to utilize low- grade waste heat, simultaneously acting as a chiller to reduce cooling load and producing pure water at a very low cost. We also expect it can be integrated into HVAC systems to manage humidity more efficiently and reduce both operating and capital expenses for customers. AirJoule is a transformational technology that can be deployed to the nexus of energy and water to solve some of the world' s greatest challenges. Our Business Model We believe we have a capital efficient and highly scalable ~~businesses~~ business ~~referred~~ model. For water harvesting and dehumidification applications, we intend to manufacture and sell full AirJoule systems to customers and generate additional recurring revenue through maintenance and service agreements. We may also consider offering distilled water as a service. Our preproduction units are being designed and manufactured by our joint venture with GE Vernova at the manufacturing facility in Newark, Delaware. This facility has the capacity to support the expected volumes of preproduction units, as well as initial volumes of our commercial units that we expect to deliver starting in 2026. Once we have visibility into customer demand and have received certain customer commitments, we may choose expand our manufacturing capacity. For HVAC applications, we are working with Carrier to integrate AirJoule technology into air conditioning systems. Through our joint venture with GE Vernova, we intend to manufacture and sell to Carrier the sorbent- coated contactors that are integral to AirJoule' s operation. The manufacturing facility in Newark, Delaware includes a coating line where the contactors will be manufactured. We expect this facility to support our coated contactor requirements into 2026. As our manufacturing output increases, we may choose to build a high volume manufacturing line for coated contactors or partner with industry leading suppliers. We expect that Carrier will procure many of the other key AirJoule system components from its existing suppliers, who may manufacture and sell these proprietary components pursuant to a licensing agreement. We intend to elevate and grow our international partnerships to rapidly and sustainably deploy AirJoule systems worldwide as a key solution to address global warming and water scarcity. We are collaborating with experienced strategic partners such as PNNL, BASF (an international chemical producer) and CATL (an international lithium- ion electric vehicle battery manufacturer), Carrier (a global provider of HVAC technology and equipment), and GE Vernova (a global provider of advanced technologies and service for renewable energy, power generation, grid solutions, and decarbonization). All of our strategic partners are committed to the continued development, commercialization, and distribution of AirJoule units. We anticipate that these partnerships will enable us to rapidly scale to mass production, using a capital- efficient business model. PNNL License. PNNL scientists originally conceived of and patented the concept for a self- regenerating dehumidifier. In the first quarter of 2021, we obtained an exclusive worldwide license from PNNL with respect to the self- regenerating dehumidifier technology. Since then, we have added our own significant advancements to the technology, and we hold independent intellectual property relating to, among other things, heating, cooling and low- cost harvesting of potentially potable water from the air. See " — Intellectual Property. " BASF Commercial Agreements. According to Chemical & Engineering News' 2024 list of the ~~to~~ top ~~herein~~ 50 global companies , BASF was the world' s largest chemical producer in 2023 based on sales. We are party to a joint development agreement, dated as of September 27, 2022, with BASF for the production of engineered super- porous MOF materials to our specifications that are applied as a coating to AirJoule contactors to perform the energy and water- harvesting function (the " Joint Development Agreement "). In 2024, BASF produced our proprietary MOF for our prototypes as part of pilot production, and we believe BASF is positioned to scale its production for mass production of our MOF materials. Pursuant to the terms of the Joint Development Agreement, for as long as BASF is able and willing to supply MOF materials developed under the Joint Development

Agreement with a competitive performance profile at a competitive price, we are required to procure all of our MOF materials exclusively from BASF during the term of the Joint Development Agreement and for at least ten years thereafter. In the event that commercial dealings between us and BASF are discontinued, and we instead utilize third-party manufacturers to produce the MOF materials, we will be required to pay BASF a license fee based on MOF quantities manufactured if the third- party utilizes intellectual property that is jointly owned by us and BASF. The Joint Development Agreement has a three- year term that ends on September 27, 2025. CATL Joint Venture. On October 27, 2021, we entered into a joint venture agreement with CATL US Inc. (" CATL "), pursuant to which we and CATL formed CAMT Climate Solutions Ltd., a limited liability company organized under the laws of Hong Kong (" CAMT "). We and CATL both own 50 % of CAMT' s issued and outstanding shares. CAMT is managed by a four- member board of directors, with two directors designated by CATL and two directors designated by us. Under the joint venture agreement, as revised, CAMT has the exclusive right to commercialize our AirJoule technology in Europe and Asia. Pursuant to the amended and restated joint venture agreement, entered into on September 29, 2023, we and CATL have each agreed to contribute $ 6. 0 million to CAMT. Contributions may be called once a business plan and operating budget is set by CAMT' s board of directors, but no action to establish a business plan or operating budget has occurred to date. Therefore, through December 31, 2024, neither we nor CATL have funded CAMT. Accordingly, our financial statements do not reflect any accounting for CAMT as no assets (including IP) or cash have been contributed to CAMT and there has been no activity as of December 31, 2024. CATL Investment Agreement. Prior to the Business Combination, an affiliate of CATL purchased equity interest in our Predecessor. In connection therewith, we entered into an Investment Agreement (the " Investment Agreement ") with CATL and the affiliated entity (together, the " CATL Parties "), pursuant to which the CATL Parties agreed, among other things, that they would not, following the Business Combination, directly or indirectly, (i) seek election to, or to place a representative on, our board of directors, or (ii) acquire equity interest in the Company if, following such acquisition, the CATL Parties and their affiliates would hold, in the aggregate, an interest in the Company of greater than 9. 8 % on either an economic or voting basis. Pursuant to the Investment Agreement, the CATL Parties also agreed that they would not, and would cause their affiliates not to, access, obtain, or seek to access or obtain our trade secrets, know- how, or other confidential, proprietary, or competitively sensitive information (excluding any such information that we are obligated to provide to CAMT or the CATL Parties pursuant to the CAMT joint venture agreement described above), including by reverse engineering, or seeking to reverse engineer, any of our products. Carrier. On January 7, 2024, we and CAMT entered into binding term sheets for a commercialization and collaboration agreement (together, the " Binding Term Sheets ") with Carrier, pursuant to which, among other things, the parties agreed to negotiate in good faith to finalize and enter into, as promptly as reasonably practicable, definitive agreements relating to the development of a system that incorporates AirJoule technology into HVAC equipment (the " Applicable Products ") and the viability of the commercialization of the Applicable Products. Subject to certain milestones to be set forth in the definitive agreements relating to the proposed collaboration, the Binding Term Sheets provide that Carrier will have (i) the exclusive right to commercialize the Applicable Products in North and South America (subject, in each case, to exclusively sourcing primary components of the AirJoule technology from us, our designated affiliates and joint venture entities of which we are a member) for a period of three years from the earlier of (a) the date of the definitive agreement relating thereto and (b) the first commercialization of the Applicable Products by Carrier and (ii) a non- exclusive right to commercialize the Applicable Products in Europe, India and the Middle East (subject, in each case, to exclusively sourcing primary components of the AirJoule technology from CAMT or its affiliates) for a period of three years from the first commercialization of the Applicable Products by Carrier. Despite entry into the Binding Term Sheets, we and CAMT ultimately may not ~~be indicative~~ **enter into definitive agreements with Carrier on terms consistent with the Binding Term Sheets or at all. On January 7, 2024, we entered into the Common Unit Subscription Agreement with Carrier, pursuant to which Carrier, indirectly through TEP Montana LLC, purchased a number** of ~~future performance of~~ **units in the Predecessor that converted into 1, 176, 471 shares in the Company upon the closing for** an **aggregate purchase price** ~~investment in us or in the future performance~~ of **approximately $ 10** ~~any business that we may acquire~~ . **0 million** ~~Information regarding past performance of our sponsor and its affiliates, XPDI I, XMS, TEP and our management team is presented for informational purposes only~~ . **Also on January 7** ~~Any past experience and performance of our sponsor and its affiliates~~ , **2024** ~~XPDI I~~ , **we entered into** ~~XMS, TEP, our management team or the other companies referred to herein is not~~ a **letter agreement with Carrier pursuant to which Carrier was** ~~guarantee -- granted either:~~ **the right to nominate one** (1) **designee, subject to the approval of the Company, for election to the board of directors for so long as Carrier satisfies certain investment conditions, following the Business Combination. Pursuant to the terms of the agreement, Carrier has nominated its director. GE Vernova. On January 25, 2024, we entered into the Framework Agreement with GE Vernova, and, solely for the purposes specified therein, GE Vernova LLC, a Delaware limited liability company (" GE Vernova Parent "), pursuant to which we and GE Vernova agreed, subject to the terms and conditions of the Framework Agreement, including certain closing conditions specified therein, to form the AirJoule, LLC (the " AirJoule JV ") in which each of us and GE Vernova hold a 50 % interest. The purpose of the AirJoule JV is to incorporate GE Vernova' s proprietary sorbent materials into systems** that **utilize our AirJoule water capture technology and to manufacture and bring products incorporating the combined technologies to market in the Americas, Africa, and Australia. Upon the JV closing, each party to the Framework Agreement entered into (i) the A & R Joint Venture Agreement, pursuant to which, among other things, the AirJoule JV has the exclusive right to manufacture and supply products incorporating the combined technologies to leading original equipment manufacturers and customers in the Americas, Africa and Australia, (ii) master services agreements, pursuant to which, among other things, each party to the agreement agreed to provide**

certain agreed services to the AirJoule JV for a period of at least two years following the JV closing (unless earlier terminated by the parties thereto) and (iii) an intellectual property agreement, pursuant to which, among other things, each of the we and GE Vernova Parent agreed to license certain intellectual property to the AirJoule JV. In addition, pursuant to the A & R Joint Venture Agreement, we contributed $ 10. 0 million to the AirJoule JV at the JV closing and expected to contribute additional capital to the AirJoule JV based on a business plan and annual operating budgets to be agreed between us and GE Vernova. Pursuant to the A & R Joint Venture Agreement, we have agreed to contribute up to an additional $ 90. 0 million in capital contributions to the AirJoule JV following the JV closing based on a business plan and annual operating budgets to be agreed between us and GE Vernova. In general, for the first six years, GE Vernova has the right, but not the obligation, to make capital contributions to the AirJoule JV. Until GE Vernova elects to participate and contributes its pro- rata share of all past capital contributions and commits to contribute its pro- rata share for all future capital contributions (the " GE Match Date "), we shall be solely responsible for funding the AirJoule JV, and we shall have a distribution preference under the A & R Joint Venture Agreement for the amount of its post- closing capital contributions plus a 9. 50 % preferred return on such amounts. Our Patents We hold and license foundational patent applications relating to atmospheric latent energy and water harvesting that uniquely position us to capture and drive a meaningful amount of the growth in the rapidly developing atmospheric water harvesting sector. In the first quarter of 2021, we obtained an exclusive worldwide license from PNNL with respect to the self- regenerating dehumidifier technology. We also have two master patent PCT applications and have filed patent applications in all relevant markets relating to the AirJoule units. Our patent applications cover various technologies and components, including latent energy and water harvesting systems, evaporative cooling and water recapture systems, evaporative heat pump systems, water heating systems, low relative humidity drying systems, pre- and mid- cool integration coils, advanced vacuum pump systems, isothermal condenser design, gate and seal systems and methods, HVAC systems with AirJoule integration, and microchannel harvesters and contactors. See " — Intellectual Property. " Sales and Marketing As an early participant in the rapidly growing ecosystem of atmospheric water harvesting, we believe we are well- positioned to capture and drive a meaningful amount of growth in the sector. As water harvesting technology continues to advance, we expect a corresponding growth in demand for the products resulting from the deployment of our AirJoule technology. We believe the AirJoule system harvests water from the air more effectively than any other technology that is available in the market today and that the AirJoule system can potentially secure access to and make abundant water for industrial and drinking use almost anywhere on the planet, particularly in water- scarce regions. We aim to offer our products and services in global markets where demand for water and cooling are highest. In addition to the direct benefit our technology is expected to provide to our customers, we believe our product and service will also enable customers to manage and improve their sustainability profile. Many companies have become increasingly conscious of their environmental footprint as a result of expectations placed upon them by their customers, investors, and other stakeholders. The Governance & Accountability Institute found that in 2023, 99 % of S & P 500 companies and 93 % of Russell 1000 companies published reports to their investors describing their environmental, social, and governance commitments. Companies are developing strategies to adapt their business models in response to customer and investor demands that these businesses transition to leveraging sustainable, clean energy and invest in solutions to global warming and water scarcity. Data Centers The data center industry is experiencing rapid growth, driven by the increasing global demand for digital infrastructure to support cloud computing, artificial intelligence, and big data analytics. The market, fueled by significant investments in hyperscale data centers by major technology companies, is expected to grow at a double- digit compound annual growth rate of 11. 7 % between 2024 and 2034, according to a recent report from Precedence Research. Furthermore, the push for energy- efficient and sustainable data center operations, including the adoption of renewable energy and innovative cooling solutions, is shaping the industry' s future. While evaporative cooling is the most efficient method for cooling data centers, it has high water requirements and puts stress on local water systems. New data center designs are increasingly shifting away from evaporative cooling towards liquid cooling or hybrid systems that utilize refrigerant cooling, which use less water but require more energy. AirJoule can utilize low- grade waste heat from data centers to produce dehumidified air and pure distilled water at a very low levelized cost, enabling a refreshed look at energy- efficient adiabatic cooling. The use of waste heat to create water for adiabatic cooling can improve the data center' s power usage effectiveness through reduced thermal load and more efficient cooling. Further, on- site water generation from AirJoule can reduce reliance on municipal water systems, which are increasingly strained by the development of water- intensive operations such as data centers and advanced manufacturing facilities. Advanced Manufacturing Advanced manufacturing in the United States is experiencing significant growth, driven by increased investments in domestic production, technological innovation, and supply chain resilience. Key sectors such as semiconductors, aerospace, biotechnology, food and beverage, and renewable energy components are expanding as companies seek to capitalize on government incentives, such as the CHIPS Act, and reduce dependency on foreign suppliers. Pure water and precise humidity control are critical in advanced manufacturing processes, where even slight deviations in environmental conditions can compromise product quality, equipment performance, and operational efficiency. Industries such as semiconductor fabrication, pharmaceutical production, and aerospace manufacturing rely on ultra- pure water for cleaning, chemical mixing, and cooling, as impurities can lead to defects or inefficiencies in highly sensitive processes. Similarly, controlled dehumidification is essential to maintain optimal moisture levels, preventing corrosion, condensation, and contamination of materials and components. The need for these systems is further heightened in cleanroom environments, where stringent air quality standards demand advanced filtration and humidity regulation to ensure compliance. AirJoule can be integrated into manufacturing operations to harvest pure distilled water from the atmosphere, recapture water vapor from exhaust air, and provide a

more efficient source of dehumidified air compared to existing desiccant- based dehumidification systems. This results in lower operating expenses and improved water sustainability for manufacturers. Military The U. S. military has significant water needs to support personnel, equipment, and operations across diverse environments, ranging from domestic bases to remote and austere locations. Water is essential for drinking, sanitation, cooking, medical care, and equipment maintenance, with daily consumption requirements increasing in arid and combat zones. Currently, these needs are fulfilled through a combination of local water sourcing, logistical supply chains, and advanced water purification technologies which involve significant costs of up to $ 5 per liter of water. AirJoule' s market- leading technology for harvesting water from air, even in the arid environments, make it ideally suited to improve water security and reduce costs for the U. S. military. AirJoule has already been demonstrated for senior military leaders through the AIR2WATER program led by the US Department of Defense Advanced Research Projects Agency, as well as Thunderstorm 24- 4, a showcase focused on innovative technology for expeditionary military operations. The Company is evaluating potential field test deployments with various branches of the U. S. military. According to the International Energy Agency, air conditioning currently accounts for approximately ~ 10 % of global electricity demand, and global demand for air conditioning is expected to triple by 2050. This growth is likely to be accompanied by an increase in global emissions from the additional power generation required, exacerbating climate change. Integrating AirJoule into air conditioning systems can lower power consumption by up to 50 % and mitigate some of the negative impacts from the growth in demand for air conditioning. There are various types of air conditioning systems, but the basic mechanisms are similar across all types. A mechanical system is used to draw in air, which is dehumidified and adjusted to the desired temperature. The dehumidification step occurs when the temperature is lowered using refrigerants and water vapor in the air condenses into water. During this process, condensation heat is generated. Thus, the cooling mechanism must be powerful enough so that the cooling effect exceeds the rise in temperature resulting from condensation heat in order to lower the net temperature of the environment in which this system is being used. Therefore, a significant amount of energy is required to offset condensation heat and lower the indoor temperature, particularly in increasingly hot and humid environments. A recent study found that the removal of humidity in air conditioning requires more energy than the temperature reduction itself and is responsible for more than 1 % of all global greenhouse gas emissions. When integrated into an air conditioning system, AirJoule produces dehumidified air without the heat of condensation, which lowers overall energy requirements for the system and reduces operating expenses for customers. Additionally, AirJoule integration into the system reduces the need for environmentally harmful refrigerants. Through our partnership with Carrier, they have an exclusive right to commercialize AirJoule for HVAC applications in the Americas for three years after the date of commercialization. We are working closely with them to design an AirJoule system that can be integrated into their products, and we are positioned to be a tier- 1 supplier of coated contactors to Carrier as part of this HVAC integration. In the fourth quarter of 2024, we achieved breakthrough levels of efficiency by integrating low- grade waste heat into our fifth generation AirJoule prototype, reducing the energy requirement down to 155 Wh / L. We are now developing our 1, 000 liter per day preproduction unit, which we expect to be ready for customer demonstrations in 2025. These units are being manufactured by our AirJoule JV in Newark, Delaware. We expect to commence sales of our first commercial AirJoule units in 2026, and we anticipate that our international partnerships, including our joint venture with GE Vernova, will enable us to transition to mass production quickly and efficiently. We also believe these partnerships will help in the validation and commercialization of our products. Research and Development Our management team knows the ability to grow and maintain a leading position in our industries depends on our continuing investment in research and development activities. The goals of our research and development efforts include continuing to optimize our AirJoule systems and corresponding technology and protecting and developing our intellectual property rights in our product and technology. Through a statement of work with GE Vernova, the AirJoule JV is supported by a number of full time employee equivalent engineers and scientists at the GE Vernova Advanced Research Center who are focused on technology advancement and product support, with specific expertise in sorbent and coating development, systems and process engineering, advanced component and system modeling, and component development. As of December 31, 2024 our technology is supported by two master patent PCT applications in the U. S., and we have applications pending in all foreign countries that we believe to be relevant markets for our AirJoule units. Our patent applications cover various technologies and components, including latent energy and water harvesting systems (effective October 1, 2021), evaporative cooling and water recapture systems, evaporative heat pump systems, water heating systems, low relative humidity drying systems, pre- and mid- cool integration coils, advanced vacuum pump systems, isothermal condenser design, gate and seal systems and methods, HVAC systems with AirJoule integration and microchannel harvesters and contactors. As part of the joint venture agreement with GE Vernova, GE Vernova contributed intellectual property related to MOF- coating technology and processes. We are also pursuing additional patent applications relating to recent technology developments, and we expect to continue to pursue further patent applications as the development and optimization of the AirJoule units continues. We rely on non- disclosure agreements with employees, independent contractors, customers, and other third parties to protect our intellectual property and proprietary rights. Circumstances outside our control could pose a threat to our intellectual property rights. For more information, see " Risk Factors — Risks Related to Intellectual Property — Our patent applications may not result in issued patents, and our issued patents may not provide adequate protection, which may have a material adverse effect on our ability to prevent others from commercially exploiting products similar to ours. " Competition Atmospheric Water Harvesting Harvesting water from air, which is often referred to as atmospheric water harvesting, is an emerging sector focused on extracting water from ambient air to address the growing global demand for sustainable water solutions. The current market for systems that

harvest water from air is highly fragmented, with most competitors offering products that rely on condensation- based methods, using energy and refrigerants to cool air below its dew point and collect the resulting water droplets. Other products incorporate desiccant materials that absorb humidity from the air, then release it as liquid water when heated. The primary drawback from these existing technologies is that they require significant amounts energy to operate, which negatively impacts cost- efficiency. We believe that AirJoule, with its transformational technology and unprecedented efficiency for harvesting water vapor, provides superior energetics compared to incumbent technologies and positions us to capture a meaningful amount of the growth in this evolving sector. Several established players have a significant presence in the industrial dehumidification market, leveraging extensive experience, broad product portfolios, and strong global distribution networks. Our AirJoule technology produces dehumidified air at a fraction of the energy required for conventional desiccant- based systems, which can yield significant operating expense savings for customers that require dehumidified air in their operations. The production and sale of HVAC equipment is highly competitive. HVAC manufacturers primarily compete on the basis of price, depth of product line, product efficiency and reliability, product availability and warranty coverage. The largest companies in the HVAC market include Carrier, Trane Technologies plc, Lennox International, Inc., Mitsubishi Electric Corporation and Rheem Manufacturing Company, among others. A number of factors affect competition in the HVAC market, including the development and application of new technologies and an increasing emphasis on the development of more efficient HVAC products. In addition, there are several startups focused on disrupting the air conditioning industry by introducing innovative new products that attempt to compete with and displace the large incumbent companies. These startups include Blue Frontier, Mojave Systems, and Transaera. While AirJoule' s superior energy- efficiency for dehumidification has the potential to transform air conditioning, our strategy does not involve competing directly against the large incumbents. Rather, we have chosen to partner with Carrier and work with them to integrate AirJoule into their air conditioning products. We intend to be a tier- 1 supplier to Carrier for AirJoule' s key component – the sorbent- coated contactors. We also intend to license the designs for the other proprietary components to Carrier' s existing suppliers. Seasonality AirJoule captures moisture from the air, and variations in ambient humidity levels can occur due to seasonal weather patterns. While certain geographic regions may experience fluctuations in water vapor content throughout the year, we do not anticipate these seasonal shifts to materially impact our future sales or operations. The industries we are targeting – including data centers, advanced manufacturing, the military, and HVAC – maintain consistent, year- round demand for reliable humidity control and water availability. Additionally, our global footprint and ability to supply multiple markets help mitigate any localized seasonality effects. As a result, we expect overall demand and performance to remain relatively stable, despite potential seasonal variations in moisture levels. Government Regulation Our business activities are subject to various laws, rules, and regulations across multiple jurisdictions. Compliance with these laws, rules, and regulations has not had a material effect upon our capital expenditures, results of operations, or competitive position, and we do not currently anticipate material capital expenditures to comply with applicable environmental, health and safety laws and regulations. Nevertheless, compliance with existing or future governmental regulations, including, but not limited to, those pertaining to international operations, export controls, business acquisitions, consumer and data protection, environmental protection, employee health and safety, and taxes, could have a material impact on our business in subsequent periods. Please see " Risk Factors " for a discussion of these potential impacts. Legal Proceedings We have not been, are not currently a party to, nor are we aware of, any legal proceeding or claim which, in the opinion of management, is likely to materially adversely affect our business or financial results or condition. From time to time, we may be subject to various claims, lawsuits and other legal and administrative proceedings that may arise in the ordinary course of business. Some of these claims, lawsuits and other proceedings may range in complexity and result in substantial uncertainty; it is possible that they may result in damages, fines, penalties, non- monetary sanctions or relief. Facilities Our principal executive office is located in Ronan, Montana. We currently lease 4, 000 square feet of office and research and development space in Polson, Montana. Along with the AirJoule JV manufacturing facility in Newark, DE, the facility in Polson, MT accommodates our pilot product development and engineering functions. We believe that our office and pilot prototyping spaces are adequate for our needs for the immediate future and, should we need additional space in connection with our expansion plans, we believe we will be able to ~~successfully identify~~ **obtain additional space on commercially reasonable terms. Human Capital Resources As of December 31, 2024, we had seventeen employees and contractors, fifteen of whom are located in the United States, one of whom is located in the United Kingdom and one of whom is located in the United Arab Emirates. Most of our employees and contractors work remotely, and most of our engineering employees and contractors spend significant time at our research facility in Polson, MT and at the AirJoule JV manufacturing facility in Newark, DE. None of our employees or contractors are represented by** a ~~suitable candidate~~ **labor union. We have not experienced any work stoppages, and we believe we maintain good employee and contractor relations. Available Information Our website address is www. airjouletech. com. We use our website as a routine channel** for **distribution** ~~our initial business combination or (2)~~ of **information that** ~~any results with respect to any initial business combination we~~ may **be material** ~~complete. You should not rely on the historical record of our sponsor and its affiliates, XPDI I, XMS, TEP, our management team' s performance or the performance of the other companies referred~~ to ~~herein as indicative of the future performance of~~ **investors, including news releases, financial information, presentations** ~~an~~ **and** ~~investment in us~~ **corporate governance information. Information contained or connected to** ~~or~~ **our website** ~~the returns we will, or are likely to, generate going forward. An investment in us~~ is not **incorporated by reference** ~~an investment in our sponsor or its affiliates, XPDI I, XMS, TEP nor the other companies referred to~~ in this ~~Report. Because we must furnish our stockholders with target business financial statements, we may lose the ability to complete an otherwise advantageous initial business combination with some prospective target businesses. The federal proxy rules require that a proxy statement with~~

~~respect to a vote on a business combination meeting certain financial significance tests include historical and / or pro forma financial statement disclosure in periodic reports. We will include the same financial statement disclosure in connection with our tender offer documents, whether or not they are required under the tender offer rules. These financial statements may be required to be prepared in accordance with, or be reconciled to, accounting principles generally accepted in the United States of America (" GAAP "), or international financial reporting standards as issued by the International Accounting Standards Board (" IFRS "), depending on the circumstances and the historical financial statements may be required to be audited in accordance with the standards of the Public Company Accounting Oversight Board (United States) (" PCAOB "). These financial statement requirements may limit the pool of potential target businesses we may acquire 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. Compliance obligations under the Sarbanes- Oxley Act may make it more difficult for us to effectuate a business combination, require substantial financial and management resources, and increase the time and costs of completing an acquisition. Section 404 of the Sarbanes- Oxley Act requires that we evaluate and report on our system of internal controls beginning with our~~ Annual Report on Form 10- K **unless expressly noted. Our Annual Reports on Form 10- K, Quarterly Reports on Form 10- Q, Current Reports on Form 8- K and any amendments to those reports filed or furnished pursuant to Section 13 (a) or 15 (d) of the Exchange Act are available on our website, free of charge, as soon as reasonably practicable after we electronically file such materials with, or furnish them to, the Securities and Exchange Commission (the " SEC "). Additionally, the SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including us, at www. sec. gov. Item 1A. Risk Factors Risks Related to Our Business, Our Technology and Our Industry We have incurred significant losses since inception, we expect to incur losses in the future, and we may not be able to achieve or maintain profitability. We are an early- stage water harvesting technology company with a history of losses. We have incurred a net income (loss) of $ 215. 7 million and $ (11. 4) million** for the ~~year~~ **years** ~~ending~~ **ended** December 31, ~~2022~~ **2024 and 2023, respectively** . ~~Only~~ **Although our predecessor entity was established** in **2018, we did not develop our first prototype of the AirJoule unit until June 2021, and we have not yet begun commercializing our AirJoule units. We expect that we will continue to incur losses in future periods as we: ● design, develop, market, commercialize and begin to sell AirJoule units; ● continue to utilize and develop potential new relationships with third- party partners for supply and manufacturing; ● build up inventories of parts and components for AirJoule units; ● expand our design, development, installation and servicing capabilities; ● further develop our proprietary technology; ● develop our distribution network; ● increase our general and administrative functions to support our growing operations; and ● expand our production and testing facilities to enhance our efficiency and capabilities for assembly of AirJoule units. Because we will incur the costs and expenses from ~~the~~ these ~~event~~ efforts before** we **receive any incremental revenues with respect thereto, our losses in future periods could be significant. In addition, we may find that these efforts** are ~~deemed~~ **more expensive than we currently anticipate or that these efforts may not result in additional revenues, which could further increase our losses. Our ability** to **become profitable in the future will require us to complete the design and development of our AirJoule units and to begin commercializing the product and related services to customers at prices needed to achieve positive gross margins. We may need to sell our products at a loss or discounted prices in the short term to win initial customer orders and gain the confidence of potential customers. If we are unable to efficiently design, produce, market, sell, distribute and service our products, our margins, profitability, and long- term prospects will** be **materially and adversely affected. We have not yet commenced commercial activities and have** a **limited operating history, which may make it difficult to evaluate the prospects for our future viability. There is no assurance that we will successfully execute our proposed strategy. We are a pre- revenue and early- stage company. Our operations to date have been limited to developing our technology and products. Our limited operating history may make it difficult to evaluate our current business and future prospects as we continue to grow our business. Our ability to forecast future operating results is subject to a number of uncertainties, including our ability to plan for and model future growth. We have encountered risks and uncertainties frequently experienced by growing companies in rapidly evolving industries, and we will continue to encounter such risks and uncertainties as we grow our business. If our assumptions regarding these uncertainties are incorrect, or if we do not address these risks successfully, our operating and financial results could differ materially from our expectations, and our business could suffer. Consequently, any predictions we make about our future success and our viability may not be as accurate as they could be if we had an operating history. Demand for our products may not grow or may grow at a slower rate than we anticipate. To date, we have not had any sales of our products. Operating results are difficult to forecast as they generally depend on our assessment of the demand for our products. Our business may be affected by reductions in demand for our products and the price of competitors' products as a result of a number of factors which may be difficult to predict. Similarly, our assumptions and expectations with respect to margins and the pricing of our AirJoule units may not prove to be accurate. We may be unable to adopt measures in a timely manner to compensate for any unexpected shortfall in demand, which could ultimately cause our operating results to differ from expectations. If actual results differ from our estimates, analysts or investors may negatively react and our share price could be materially adversely affected. We depend on revenue generated from a single product and in the foreseeable future will be significantly dependent on a limited number of products. After we have successfully developed and commercialized our AirJoule technology, we will initially depend on revenue generated from our AirJoule units and revenue from ancillary services for the foreseeable future and will be significantly dependent on a single or limited number of products. Given that, for the foreseeable future, our business will depend on a single or limited number of products, to the extent that a particular product is not well- received by the market, our sales volume, prospects, business, results of operations and financial condition could be materially and**

adversely affected. Our financial results depend on successful project execution and may be adversely affected by cost overruns, failure to meet customer schedules, failure of our suppliers or partners to fulfill their obligations to us or other execution issues. Commercialization of our AirJoule units is subject to a number of significant risks, including project delays, cost overruns, changes in scope, unanticipated site conditions, design and engineering issues, incorrect cost assumptions, increases in the cost of materials and labor, health and safety hazards, third- party performance issues and changes in laws or permitting requirements. If a third party or other subcontractor that we have contracted fails to fulfill its contractual obligations to us, we could face significant delays, cost overruns and liabilities. Our continued growth will depend in part on executing a greater volume of large ~~accelerated filer~~ **projects, which will require us to expand and retain** ~~or~~ **our project management and execution personnel and resources. If we are unable to manage these risks, we may incur higher costs, liquidated damages and other liabilities, which may decrease our profitability and harm our reputation. We may lack sufficient funds to achieve our planned business objectives. Our ability to continue as a going concern is dependent on (i) continued financial support from our shareholders and other related parties, (ii) raising capital via external financing and / or (iii) attaining profitable operations. We may seek to raise further funds through one or more financing transactions, and any inability to access the capital or financial markets may limit our ability to fund our ongoing operations and execute our business plan to pursue investments that we may rely on for future growth. We have limited capital resources and operations. From time to time, we may seek additional financing to provide the capital required to expand production of our business operations, development initiatives and / or working capital, as well as to repay outstanding loans if cash flow from operations is insufficient to do so. We cannot predict with certainty the timing or amount of any such capital requirements. We may in the future require access to capital markets and debt financing as a source of liquidity for investments and expenditures. If we do not raise sufficient capital to fund our ongoing development activities, it is likely that we will be unable to carry out our business plans. We may not be able to obtain additional financing on terms acceptable, or at all. Even if we obtain financing for near term operations, we may require additional capital beyond the near term. If we are unable to raise capital when needed, or if our ability to access required capital were to become significantly constrained, we could incur material borrowing costs and our business, financial condition and results of operations would be materially adversely affected, and it could force us to reduce or discontinue our operations. We face significant barriers in our attempts to deploy our technology and may not be able to successfully develop our technology. If we cannot successfully overcome those barriers, it could adversely impact our business and operations. The technology behind our AirJoule unit is very complex. While we have successfully produced prototype units within our test facilities, we are still in the process of optimizing the technology to deliver water and dehumidified and cooled air at the energy efficiency that we are anticipating we can achieve. If we are unable to successfully develop our technology, our operating and financial results could materially differ from our expectations and our business could suffer. If we encounter difficulties in scaling our production and delivery capabilities, if we fail to develop such technologies before our competitors or if such technologies fail to perform as expected, are inferior to those of our competitors or are perceived as less safe than those of our competitors, our business, reputation and financial condition could be materially and adversely impacted. We are subject to risks associated with changing technology, product innovation, manufacturing techniques, operational flexibility and business continuity, which could place us at a competitive disadvantage. The industries in which we operate are subject to rapid technological change, evolving industry standards and practices and changing customer needs and preferences. The success of our business will depend, in part, on our ability to adapt and respond effectively to these changes on a timely basis. We may introduce significant changes to our AirJoule units or develop and introduce new and unproven products, including using technologies with which we have little or no prior development or operating experience. If we are unable to develop and sell new technology, features and functionality for our AirJoule units that satisfy our customers and that keep pace with rapid technological and industry change, our revenue and operating results could be adversely affected. If new technologies emerge that deliver competitive solutions at lower prices, more efficiently, more conveniently or more securely, it could adversely impact our ability to compete and place us at a competitive disadvantage. We expect to incur research and development costs and devote resources to identifying and commercializing new products, which could reduce our profitability and may never result in revenue. We will require significant capital to develop and grow our business and we expect to incur significant expenses, including those relating to developing and commercializing our AirJoule units, research and development, production, sales, maintenance and service and building the AirJoule brand. Our current estimates of the costs associated with development and commercialization could prove inaccurate, and that could impact the cost of our technology and of our business overall. If we are unable to efficiently design, develop, commercialize, license, market and deploy our technology in a cost- effective manner, our margins, profitability and prospects would be materially and adversely affected. Actual capital costs, operating costs, production and economic returns may differ significantly from those we have anticipated and future development activities may not result in profitable operations. The actual operating costs of manufacturing, commercializing and distributing AirJoule units on a commercial scale will depend upon a variety of factors, such as changes in the availability of and price of materials and changes in governmental regulation, including taxation, environmental, permitting and other regulations and other factors, many of which are beyond our control. Due to any of these or other factors, our capital and operating costs may be significantly higher than those initially estimated by management. As a result of higher capital and operating costs, our financing ability may be impacted, and this may be further affected by lower commodity prices in the international markets that could impact production or economic returns, which may differ significantly from management' s expectations and there can be no assurance that any of our development activities will result in profitable operations. We may face significant competition from established companies with longer operating histories, customer incumbency**

advantages, access to and influence with governmental authorities and more capital resources than we do. The markets for generation of potable water and energy- efficient air conditioning are evolving and highly competitive. We expect competition to increase in the future from established competitors and new market entrants. This could negatively impact our ability to compete in these markets. We will face competition from other water generation and comfort cooling companies that offer standalone water production and air conditioning solutions and services. In addition, we may face competition from niche companies and new market entrants that offer point products that attempt to address the specific problems that our AirJoule units attempt to solve. Many of our existing competitors have, and our potential competitors could have, substantial competitive advantages such as greater name recognition, longer operating histories, larger sales and marketing budgets and resources, greater customer support resources, lower labor and development costs, larger and more mature intellectual property portfolios and substantially greater financial, technical and other resources. Some of our larger competitors also have substantially broader product lines and market focus and will therefore not be as susceptible to downturns in a particular market. Conditions in our market could change rapidly and significantly as a result of technological advancements, partnering by our competitors, or continuing market consolidation. New start- up companies that innovate and / or large companies that are making significant investments in research and development may invent similar or superior products and technologies that compete with our AirJoule units. In addition, some of our competitors may enter into new alliances with each other or may establish or strengthen cooperative relationships with agency partners, technology and application providers in complementary categories or other parties. Any such consolidation, acquisition, alliance or cooperative relationship could lead to pricing pressure, a loss of market share or a smaller addressable share of the market, all of which could harm our ability to compete and may materially affect our results of operations and financial condition. If we fail to retain our key personnel or if we fail to attract additional qualified personnel, we may not be able to achieve our anticipated level of growth and our business could suffer. Our success depends to a significant extent on our and our joint ventures' ability to attract and retain talent, specifically in senior management and skilled technical, engineering, project management and other key roles. Macroeconomic conditions, specifically labor shortages, increased competition for employees and wage inflation could have a material impact on our ability to attract and retain talent, our turnover rate and the cost of operating our business. If we are unable to attract and retain sufficient talent, minimize employee turnover or manage wage inflation, it could have a material adverse effect on our business, financial condition, results of operations or prospects. Any failure by our management to properly manage our growth could have a material adverse effect on our business, operating results and financial condition. We may experience rapid growth and organizational change, which may place significant demands on our management and our operational and financial resources. Our success will depend in part on our ability to manage this growth effectively. We will require significant capital expenditures and valuable management resources to grow without undermining our culture of innovation and teamwork, which has been central to our growth so far. If we fail to manage our anticipated growth and change in a manner that preserves our culture, it could negatively affect our reputation and ability to retain and attract customers and employees. We also intend to expand our international operations in the future. Our expansion may place a significant strain on our managerial, administrative, financial and other resources. If we are unable to manage our growth successfully, our business and results of operations could suffer. If the estimates and assumptions we use to determine the size of our total addressable market are inaccurate, our future growth rate may be affected and the potential growth of our business may be limited. Our estimates for our total addressable market are based on several internal and third- party estimates, including the number of potential customers who have expressed interest in licensing our technology, assumed prices and production costs for our products, our ability to leverage our current logistical and operational processes and general market conditions. However, our assumptions and the data underlying our estimates may not be correct and the conditions supporting our assumptions or estimates may change at any time, thereby reducing the predictive accuracy of these underlying factors. As a result, our estimates of the annual total addressable market for our products, as well as the expected growth rate for the total addressable market for our products, may prove to be incorrect, which could materially and adversely affect our business. Damage to our reputation or brand image could adversely affect our business. Our reputation is one of our key assets. Our ability to attract and retain customers will be highly dependent upon the external perceptions of our level of service, trustworthiness, business practices, financial condition and other subjective qualities. Negative perceptions or publicity regarding these or other matters, including from actual or alleged conduct by us or our employees, could damage our reputation. Any resulting erosion of trust and confidence among customers, business partners, regulators and other parties important to the success of our business could make it difficult for us to attract customers and business partners, which could have a material adverse effect on our business, financial condition and results of operations. The occurrence of significant events for which we may not be fully insured could have a material adverse effect on our business, financial condition and results of operations. We may be subject, in the ordinary course of business, to losses resulting from product liability, accidents, acts of God and other claims against us, for which we may have no insurance coverage. We cannot be certain that any future insurance coverage we obtain will be sufficient to cover all future losses or claims against us. A loss that is uninsured or which exceeds policy limits may require us to pay substantial amounts, which could adversely affect our business, financial condition and results of operations. Cyber- attacks or a failure in our information technology and data security infrastructure could adversely affect our business and operations. We rely on information technology systems in connection with various aspects of the operation of our business. Our business depends on the integrity of such information technology systems, which are inherently susceptible to a number of threats, including, but not limited to, viruses, ransomware, malware, malicious codes, hacking, phishing, denial of service actions, human error, network failures, electronic loss of data and other electronic security breaches. A successful

material cyber- attack may result in the loss or compromise of customer, financial or operational data, theft of intellectual property, disruption of billing, collections or normal field service activities, disruption of data analytics and electronic monitoring and control of operational systems, loss of revenue, ransomware payments, remediation costs related to lost, stolen or compromised data, repairs to infrastructure, physical systems or data processing systems, increased cybersecurity protection costs or violation of United States and international privacy laws, which may result in litigation. Any of these occurrences could harm our reputation or have a material adverse effect on our business, financial condition, results of operation and prospects. We have and intend to continue to adopt measures to mitigate potential risks associated with information technology disruptions and cybersecurity threats; however, there is no assurance that these measures will prevent cyber- attacks or security breaches. Although we intend to periodically assess these risks, implement controls and perform business continuity and disaster recovery planning, we cannot be sure that interruptions with material adverse effects will not occur. Increased scrutiny of ESG matters, including our completion of certain ESG initiatives, could have an ~~accelerated filer~~ adverse effect on our business , financial condition and results of operations, result in reputational harm and negatively impact the assessments made by ESG- focused investors when evaluating us. We are increasingly facing more stringent ESG standards, policies and expectations, and expect to continue to do so as a listed company with growing operations. Companies across all industries are facing increasing scrutiny from a variety of stakeholders, including investor advocacy groups, proxy advisory firms, certain institutional investors and lenders, investment funds and other influential investors and rating agencies, related to their ESG and sustainability practices. We generally experience a strong ESG emphasis among our customers, partners and competitors. Some of these stakeholders maintain standards, policies and expectations regarding environmental matters (e. g., climate change and sustainability), social matters (e. g., diversity and human rights) and corporate governance matters (e. g., taking into account employee relations when making business and investment decisions, ethical matters and the composition of the board of directors and various committees). There is no ~~longer qualify~~ guarantee that we will be able to comply with applicable ESG standards, policies and expectations, or that we will, from the perspective of other stakeholders and the public, appear to be complying with such ESG standards, policies and expectations. If we do not adapt to or comply with investor or other stakeholder standards, policies, or expectations on ESG matters as they continue to evolve, or if we are perceived to have not responded appropriately or quickly enough to growing concern for ESG and sustainability issues, regardless of whether there is a regulatory or legal requirement to do so, we may suffer from reputational damage and our business, financial condition and / or stock price could be materially and adversely affected. We also expect there will likely be increasing levels of regulation, disclosure- related and otherwise, with respect to ESG matters. We may be subject to ESG or sustainability- related regulation in multiple jurisdictions, including the U. S., and complying with these regulations in multiple jurisdictions may increase the complexity and cost of our compliance efforts. Moreover, increased regulation and increased stakeholder expectations will likely lead to increased costs as well as scrutiny that could heighten all of the risks identified in this risk factor. Additionally, many of our customers and suppliers may be subject to similar expectations, which may augment or create additional risks, including risks that may not be known to us. Risks Related to Our Joint Ventures, Our Suppliers and Our CustomersWe conduct a substantial amount of our operations through joint ventures, which may lead to disagreements with joint venture partners and adversely affect our interest in the joint ventures. We are currently conducting the majority of our development, operations and commercialization activities through our joint venture with GE Vernova, of which we and GE Vernova each own a 50 % interest. This AirJoule JV was formed in March 2024 to incorporate GE Vernova' s proprietary sorbent materials into systems that utilize our water capture technology and to manufacture and bring products incorporating the combined technologies to market in the Americas, Africa and Australia. Additionally, we have entered into a joint venture agreement with an ~~emerging growth company~~ affiliate of CATL to manufacture and commercialize our AirJoule technology in Asia and Europe , but this joint venture has not yet been funded by either party and has not yet commenced any operation' s. Our heavy reliance on joint ventures could adversely affect our business and financial condition if any of our joint venture partners chooses to terminate their relationship with us or make material changes to their businesses, products or services in a manner that is adverse to us. Under the A & R Joint Venture Agreement for the AirJoule JV, for the first six years, GE Vernova has the right, but not the obligation, to make capital contributions to the AirJoule JV, and we are solely responsible for funding the AirJoule JV if and until GE Vernova elects to participate in funding the AirJoule JV with its pro- rata share. We can provide no assurance that GE Vernova will elect to participate in capital contributions to the AirJoule JV, and our ability to continue fully funding the joint venture will likely depend on our ability to raise additional capital via external financing. We may incur impairment charges related to the carrying value of our equity method investment in the AirJoule JV, which could have a significant negative effect on our financial condition, results of operations and the price of our securities. We regularly evaluate the carrying value of our equity method investment in the AirJoule JV, and we may incur an impairment charge if we determine that the carrying value of such investment exceeds the fair value. For example, if the AirJoule JV recognizes a goodwill impairment charge in its separate financial statements, we would be required to impair the value of our investment in the AirJoule JV. The AirJoule JV tests its goodwill for impairment annually on October 1 and more frequently if events or changes in circumstances indicate that a potential goodwill impairment exists. Asset impairment evaluations with respect to goodwill are, by nature, highly subjective. The use of different estimates and assumptions could result in materially different carrying values of the AirJoule JV' s assets, which could impact the need to record an impairment charge and the amount of any charge taken. If AirJoule JV' s assumptions, including timing of revenue generation and forecasted EBITDA, are not achieved, then the AirJoule JV may be required to record goodwill impairment charges in future periods. Though any impairment we may be required to incur in the future would be a

non- cash charge and therefore not have an immediate impact on our liquidity, the fact that we report a charge of this nature could contribute to negative market perceptions about our business or our securities. In addition, charges of this nature may hinder our ability to obtain future financing on favorable terms or at all. We may depend on sole- source and limited- source suppliers for key components and products. If we are unable to source these components and products on a timely basis or at acceptable prices, we will not be able to deliver our products to our customers and production time and production costs could increase, which may adversely affect our business. Our manufacturing processes rely on many materials. We purchase, and will continue to purchase, a significant portion of our materials, components and finished goods used in our production facilities from a few suppliers, some of which are single- source suppliers. For example, our proprietary MTMOF1, which is highly engineered to adsorb water vapor molecules and is utilized in our AirJoule units, is currently being manufactured solely by BASF (an international chemical company). As certain materials are highly specialized, the lead time needed to identify and qualify a new supplier is typically lengthy and there is often no readily available alternative source. We do not generally have long- term contracts with our suppliers and substantially all of our purchases are on a purchase order basis. Suppliers may extend lead times, limit supplies, place products on allocation or increase prices due to commodity price increases, capacity constraints or other factors and could lead to interruption of supply or increased demand in the industry. Additionally, the supply of these materials may be negatively impacted by increased trade tensions or additional or increased tariffs between the U. S. and its trading partners. In the event that we cannot obtain sufficient quantities of materials in a timely manner, at reasonable prices or of sufficient quality, or if we are not able to pass on higher materials costs to our customers, our business, financial condition and results of operations could be adversely impacted. We may face supply chain competition, including competition from businesses in other industries, which could result in insufficient inventory and negatively affect our results of operations. Certain of our suppliers also supply systems and components to other businesses. As a relatively low- volume purchaser of certain of these parts and materials, we may be unable to procure a sufficient supply of the items we need in the event that our suppliers fail to produce sufficient quantities to satisfy the demands of all of their customers, which could materially adversely affect our business, financial condition and results of operations. Manufacturing issues not identified prior to design finalization, long- lead procurement and / or fabrication could potentially be realized and may impact our deployment cost and schedule, which could adversely impact our business. It is possible that in the future we may experience delays and other complications from our partners and third- party suppliers in the development and manufacturing of the components and other implementing technology required for deploying our AirJoule units. Any disruption or delay in the development or supply of such components and technology could result in the delay or other complication in the design, manufacture, production and delivery of our technology that could prevent us from commercializing our AirJoule units according to our planned timeline and scale. If delays like this recur or if we experience issues with planned manufacturing activities, supply of components from third parties or design and safety, we could experience issues or delays in commencing or sustaining our commercial operations. The Binding Term Sheets we and CAMT have entered into with Carrier may not ultimately yield definitive agreements with Carrier consistent with the term sheets or at all. On January 7, 2024, concurrently with the execution of the Common Unit Subscription Agreement, we and CAMT entered into the Binding Term Sheets with Carrier, pursuant to which, among other things, the parties agreed to negotiate in good faith to finalize and enter into, as promptly as reasonably practicable, definitive agreements relating to the development of the Applicable Products and the viability of the commercialization of the Applicable Products. Despite entry into the Binding Term Sheets, we and CAMT ultimately may not enter into definitive agreements with Carrier on terms consistent with the Binding Term Sheets or at all. We expect to be dependent on a limited number of customers and end markets. A decline in revenue from, or the loss of, any significant customer, could have a material adverse effect on our financial condition and operating results. We are in the process of developing our technology and do not yet have any customers. We expect to initially depend upon a small number of customers for a substantial portion of our future revenue. Accordingly, a decline in revenue from, or the loss of, any significant customer could have a material adverse effect on our financial condition and operating results. We cannot assure you that prospective customers will ultimately utilize our products and services or enter into contracts with us for such products and services on acceptable terms or at all. There can also be no assurance that our efforts to secure new customers, including through acquisitions, will succeed in reducing our customer concentration. Acquisitions are also subject to integration risk, and revenues and margins could be lower than we anticipate. Failure to secure business from new customers in any of our end markets would adversely impact our operating results. Our long- term success depends, in part, on our ability to negotiate and enter into sales agreements with, and deliver our products to, customers on commercially viable terms. There can be no assurance that we will be successful in securing such agreements. Our success depends, in part, on our ability to acquire and retain new customers and to do so in a cost- effective manner. In order to obtain and expand our customer base, we must appeal to, acquire and enter into sales agreements with third- party customers on commercially viable terms, either directly or through third- party distributors. We expect to make significant investments related to customer acquisition in the future. If we fail to deliver and market a robust product that appeals to customers, or if customers do not perceive AirJoule units to be of high value and quality, we may be unable to acquire or retain customers. If we are unable to acquire or retain customers sufficient to grow our business, we may be unable to generate the scale necessary to achieve operational efficiency. Consequently, our prices may increase or may not decrease to levels sufficient to generate customer interest, and total revenue may decrease and margins and profitability may decline. As a result, our business, financial condition and results of operations may be materially and adversely affected. Our sales and profitability may be impacted by, and we may incur liabilities as a result of, warranty claims, product defects, recalls, improper use of our products, or our failure to meet

performance guarantees or customer safety standards. We anticipate that our customers will require product warranties as to the proper operation and conformance to specifications of the products we manufacture or install. Failure of our products to operate properly or to meet specifications of our customers or our failure to meet our performance guarantees may increase costs by requiring additional engineering resources and services, replacement of parts and equipment or monetary reimbursement to a customer, or could otherwise result in liability to our customers. There are significant uncertainties and judgments involved in estimating warranty and performance guarantee obligations, including changing product designs, differences in customer installation processes and failure to identify or disclaim certain variables. To the extent that we incur substantial warranty or performance guarantee claims in any period, our reputation, earnings and ability to obtain future business could be materially adversely affected. Risks Related to Legal, Compliance, Regulations and Geopolitical Issues There are risks associated with operating in foreign countries, including those related to economic, social and / or political instability, and changes of law affecting foreign companies operating in that country. In particular, we may suffer reputational harm due to our business dealings in certain countries that have previously been associated, or perceived to have been associated, with human rights issues. Increased scrutiny and changing expectations from investors regarding ESG considerations may result in a decrease of the trading price of our securities. We are currently party to a joint venture with an affiliate of CATL, a Chinese battery manufacturer and technology company, and a development agreement with BASF, an international chemical producer headquartered in Germany. We may continue to pursue partnerships and operations outside of the United States, including with suppliers and partners that are located or operate in other countries. Accordingly, we are subject to risks associated with operating in foreign countries, including: ● fluctuations in currency exchange rates; ● limitations on the remittance of dividends and other payments by foreign subsidiaries and joint ventures; ● additional costs of compliance with local regulations; ● historically, in certain countries, higher rates of inflation than in the United States; ● changes in the economic conditions or consumer preferences or demand for our products in these markets; ● restrictive actions by multinational governing bodies, foreign governments or subdivisions thereof; ● changes in U. S. and foreign laws regarding trade and investment, including with respect to taxation, import and export tariffs, energy use, land use rights, intellectual property, network security and other matters; ● less robust protection of our intellectual property under foreign laws; ● geopolitical events, including natural disasters, public health issues, acts of war, nationalism and terrorism, social unrest or human rights issues; and ● difficulty in obtaining distribution and support for our products. In addition, our operations outside the United States are subject to the risk of new and different legal and regulatory requirements in local jurisdictions, potential difficulties in staffing and managing local operations and potentially adverse tax consequences. The costs associated with operating our continuing international business could adversely affect our results of operations, financial condition and cash flows in the future. Our business may require numerous permits, licenses and other approvals from various governmental agencies, and the failure to obtain or maintain any of them, or delays in obtaining them, could materially adversely affect us. Regulatory risks associated with our business include: ● our ability to obtain and maintain applicable permits, approvals, licenses or certifications from regulatory agencies, if required; ● regulatory delays, delays imposed as a result of regulatory inspections and changing regulatory requirements may cause a delay in our ability to fulfill our orders or may cause manufacturing plans to not be completed at all, many of which may be out of our control, including changes in governmental regulations or in the status of our regulatory approvals or applications or other events that force us to cancel or reschedule production, any of which could have an adverse impact on our business and financial condition; ● regulatory, availability and other challenges may delay our progress in establishing the number of AirJoule units we are able to produce, and such challenges could have an adverse effect on our ability to grow our business; and ● challenges as a result of regulatory processes or in our ability to secure the necessary permissions to deliver our products could adversely affect our business. Any of these risk factors could have a material adverse effect on our business. Our business and current and future production facilities are subject to liabilities and operating restrictions arising from environmental, health and safety laws, regulations, and permits. We are and will be subject to environmental, health and safety laws and regulations in multiple jurisdictions, which impose substantial compliance requirements on our operations. Our operating costs could be significantly increased in order to comply with **new or more stringent regulatory standards in the jurisdictions in which we operate. Our business and our and our joint venture' s and partners' current and future production facilities are and will be subject to various foreign, federal, state and local environmental, health and safety (" EHS ") laws, regulations, guidelines, policies, directives, permits and other requirements. Pursuant to these requirements, we may be required to obtain various permits from certain regulatory agencies for our operations. If our facilities and operations do not comply with such laws, regulations, requirements or permits, each of which may vary across the jurisdictions in which we operate, we may be required to pay significant administrative or civil penalties or fines, curtail or cease operation of the affected facilities, make costly modifications to such facilities, be subject to civil litigation or seek new or amended permits for our operations. Violations of environmental and other laws, regulations, and permit requirements, including certain violations of laws protecting wetlands, migratory birds, and threatened or endangered species, may also result in criminal sanctions or injunctions. The global EHS regulatory environment continues to change, and these laws and regulations, and the enforcement thereof, have tended to become more stringent over time. It is possible that new standards could be imposed, or interpretation or enforcement of existing laws and regulations could change, making the regulatory environment more stringent. Such changes could result in higher operating expenses, the obsolescence of our products or an interruption or suspension of our operations and have an adverse effect on our business, financial condition and results of operations. If it is not economical to make those expenditures, or if we violate any applicable EHS laws and regulation, it may be necessary to retire or suspend operations of our facilities or restrict or modify our**

operations to obtain or maintain compliance, either of which could have a material adverse effect on our business, financial condition, results of operations, cash flow and prospects. Furthermore, foreign, federal, state, and local governments are increasingly regulating and restricting the use of certain chemicals, substances, and materials. Some of these policy initiatives could impact our business. For example, laws, regulations, or other policy initiatives might restrict substances found within component parts to our products, in which event we would be required to comply with such requirements, which could in turn require changes to our products and increase our production and operating costs. Our business could be adversely affected by trade wars, trade tariffs or other trade barriers. The U. S. government has recently imposed tariffs on certain foreign goods, including steel and aluminum and has indicated a willingness to impose tariffs on imports of other products. As an example, on February 1, 2025, the U. S. government announced a 25 % tariff on product imports from certain countries, including Mexico and Canada, and 10 % tariffs on product imports from certain countries, including China. Some foreign governments, including China, have instituted retaliatory tariffs on certain U. S. goods and have indicated a willingness to impose additional tariffs on U. S. products. Other countries have threatened retaliatory tariffs on certain U. S. products. Global trade disruption, significant introductions of trade barriers and bilateral trade frictions, together with any future downturns in the global economy resulting therefrom, may limit our ability to obtain key components for our AirJoule units or significantly increase freight charges, raw material costs and other expenses associated with our business, which could materially and adversely affect our business, financial condition, prospects and results of operations. Exchange rate fluctuations may materially affect our results of operations and financial condition. We anticipate that our partner and customer contracts will primarily be denominated in U. S. dollars, and therefore substantially all of our revenue will not be subject to foreign currency risk. However, a strengthening of the U. S. dollar could increase the real cost of AirJoule units to our customers outside of the United States, which could adversely affect our operating results. In addition, a portion of our operating expenses are expected to be incurred and a portion of our assets are expected to be held outside the United States. These operating expenses and assets would be denominated in foreign currencies and are subject to fluctuations due to changes in foreign currency exchange rates. If we are not able to successfully hedge against the risks associated with currency fluctuations, our operating results could be adversely affected. Our failure to comply with applicable anti- corruption, anti- bribery, anti- money laundering, antitrust, foreign investment and similar laws and regulations could negatively impact our reputation and results of operations. We are subject to the U. S. Foreign Corrupt Practices Act of 1977, as amended, the U. S. domestic bribery statute contained in 18 U. S. C. § 201, the U. S. Travel Act, and other anti- bribery and anti- money laundering laws in the countries in which we conduct activities. Anti- corruption and anti- bribery laws have been enforced aggressively in recent years. These laws are interpreted broadly to prohibit companies and their employees and third- party intermediaries from authorizing, promising, offering or providing, directly or indirectly, improper payments or anything else of value to recipients in the public or private sector. As we increase our international sales and business and sales to the public sector, we may engage with partners and third- party intermediaries to market our services and to obtain necessary permits, licenses and other regulatory approvals. In addition, we or our third- party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state- owned or affiliated entities. We can be held liable for corrupt or other illegal activities of these third- party intermediaries, our employees, representatives, contractors, partners and agents, even if we do not explicitly authorize such activities. While we have policies and procedures to address compliance with such laws, our employees and agents could violate our policies and applicable law, for which we may be ultimately held responsible. As we increase our international sales and business, our risks under these laws may increase. Noncompliance with anti- corruption, anti- bribery or anti- money laundering laws could subject us to whistleblower complaints, investigations, sanctions, settlements, prosecution, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, suspension and / or debarment from contracting with certain persons, the loss of export privileges, reputational harm, adverse media coverage and other collateral consequences. If any subpoenas or investigations are launched, or governmental or other sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our business, results of operations and financial condition could be materially harmed. Responding to any action will likely result in a materially significant diversion of management' s attention and resources and significant defense costs and other professional fees. Enforcement actions and sanctions could further harm our business, results of operations and financial condition. Our past and potential future transactions with foreign- based commercial partners and investors may be subject to review by the Committee on Foreign Investment in the United States (" CFIUS "). CFIUS actions, including potentially imposing restrictions or conditions on these transactions, or forcing us to terminate these transactions, could adversely impact our business and operations. CFIUS has authority to review certain direct or indirect foreign investments in U. S. businesses for national security considerations. Among other things, CFIUS is authorized to require mandatory filings for certain foreign investments in the United States and to self- initiate national security reviews of certain foreign direct and indirect investments in U. S. businesses if the parties to such investments choose not to file voluntarily. With respect to transactions that CFIUS determines present unresolved national security concerns, CFIUS has the power to suspend transactions, impose mitigation measures or recommend that the president of the United States block pending transactions or order divestitures of completed transactions when national security concerns cannot be mitigated. Whether CFIUS has jurisdiction to review an acquisition or investment transaction depends on, among other factors: the nature and structure of the transaction; whether the target entity or assets constitute a U. S. business; the level of beneficial ownership and voting interests acquired by foreign persons; and the nature of any information, control, access or governance rights that the transaction affords foreign persons. For example, any transaction that could result in foreign " control " (as such term is defined in

the CFIUS regulations) of a U. S. business is within CFIUS' s jurisdiction, including such a transaction carried out through a joint venture. In addition, CFIUS has jurisdiction over certain investments that do not result in control of a U. S. business by a foreign person but that afford a foreign person certain access, involvement or governance rights in a " TID U. S. business, " that is, a U. S. business that: (1) produces, designs, tests, manufactures, fabricates, or develops one or more " critical technologies; " (2) owns, operates, manufactures, supplies or services certain " covered investment critical infrastructure; " or (3) maintains or collects, directly or indirectly, " sensitive personal data " of U. S. citizens. We have in the past entered into, and may in the future enter into, commercial arrangements with foreign persons including, for example, our development agreement with BASF and our joint venture with an affiliate of CATL. In addition, foreign investors have invested in us in the past and may invest in us in the future, and we may continue to pursue partnerships and operations outside of the United States. CFIUS has broad discretion to interpret its regulations, and CFIUS policies and practices are evolving rapidly. As a result, we cannot predict whether CFIUS may seek to review our past or potential future transactions involving a foreign person, even if such transactions did not or will not require a mandatory CFIUS filing at the time of the transaction. Any review by CFIUS of one or more of our past or potential future transactions involving a foreign person may have outsized impacts on, among other things, the certainty, timing, feasibility and cost of the transaction in question, and there can be no assurance that we and the foreign person will be able to maintain (if the transaction has already been completed) or proceed with (if the transaction is pending) the transaction on acceptable terms or at all. Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect our business, investments and results of operations. We are subject to laws, regulations and rules enacted by national, regional and local governments and Nasdaq. In particular, we are required to comply with certain SEC, Nasdaq and other legal or regulatory requirements. Compliance with, and monitoring of, applicable laws, regulations and rules may be difficult, time consuming and costly. Those laws, regulations and rules and their interpretation and application may also change from time to time and those changes could have a material adverse effect on our business, investments and results of operations. In addition, a failure to comply with applicable laws, regulations and rules, as interpreted and applied, could have a material adverse effect on our business and results of operations. Changes to, or changes to interpretations of, the U. S. federal, state, local or other jurisdictional tax laws could have a material adverse effect on our business, financial condition and results of operations. All statements contained herein concerning U. S. federal income tax (or other tax) consequences are based on existing law and interpretations thereof. The tax regimes to which we are subject or under which we operate, including income and non- income taxes, are unsettled and may be subject to significant change. While some of these changes could be beneficial, others could negatively affect our after- tax returns. Accordingly, no assurance can be given that the currently anticipated tax treatment will not be modified by legislative, judicial or administrative changes, possibly with retroactive effect. In addition, no assurance can be given that any tax authority or court will agree with any particular interpretation of the relevant laws. State, local or other jurisdictions could impose, levy or otherwise enforce tax laws against us. Tax laws and regulations at the state and local levels frequently change, especially in relation to the interpretation of existing tax laws for new and emerging industries, and we cannot always reasonably predict the impact from, or the ultimate cost of compliance with, current or future taxes, which could have a material adverse effect on our business, financial condition and results of operations. Our business may be adversely affected by force majeure events outside of our control, including labor unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes or epidemics. The occurrence of one or more natural disasters, including and not limited to tornadoes, hurricanes, fires, floods and earthquakes, unusual weather conditions, pandemics and endemic outbreaks, terrorist attacks or disruptive political events in certain regions where our facilities are located, or where our third- party contractors' and suppliers' facilities are located, could adversely affect our business. The continuing armed conflicts in the Middle East and in Ukraine, or strategic competition and tensions between China, the United States, Taiwan or other countries have also contributed to uncertainty in the geopolitical and regulatory landscape. Such conflicts and tensions could adversely impact macroeconomic conditions, give rise to regional instability and result in heightened economic tariffs, sanctions and import- export restrictions from the United States and the international community in a manner that adversely affect us, including to the extent that any such actions cause material business interruptions or restrict our ability in these regions to conduct business with certain suppliers or vendors. Additionally, such conflict or sanctions may significantly devalue various global currencies and have a negative impact on economies in geographies in which we do business. Similarly, other events such as labor force instability and strikes, terrorist attacks, pandemic, actual or threatened acts of war or the escalation of current hostilities, or any other military or trade disruptions impacting our domestic or foreign suppliers of components of our products, may impact our operations by, among other things, causing supply chain disruptions and increases in commodity prices, which could adversely affect our raw materials or transportation costs. These events also could cause or act to prolong an economic recession in the United States or abroad. Any future disaster recovery and business continuity plans we may put in place may prove inadequate in the event of a serious disaster or similar event, and, more generally, any of these events could cause consumer member confidence and spending to decrease, which could adversely impact our operations. Risks Related to Intellectual Property Our patent applications may not result in issued patents, and our issued patents may not provide adequate protection, which may have a material adverse effect on our ability to prevent others from commercially exploiting products similar to ours. Our patent applications may not result in issued patents, which may have a material adverse effect on our ability to prevent others from commercially exploiting products similar to ours. The registration of patents involves complex legal and factual questions and the breadth of claims allowed is uncertain. As a result, we cannot be certain that our patent applications will result in patents being issued, or that our patents and any patents

that may be issued to us will afford protection against competitors with similar technology. Numerous patents and pending patent applications owned by others exist in the fields in which we have developed and is and will be developing our technology. Many of these existing patents and patent applications might have priority over our patent applications and could subject our patent applications to rejection. Furthermore, patent applications filed in foreign countries are subject to laws, rules and procedures that differ from those of the United States, and thus we cannot be certain that foreign patent applications related to issued U. S. patents will be issued. Many patent applications in the United States are maintained in secrecy for a period of time after ~~the~~ they ~~independent~~ are filed, and since publication of discoveries in the scientific or patent literature tends to lag behind actual discoveries by several months, we cannot be certain that we will be the first creator of inventions covered by any patent application we make or that we will be the first to file patent applications on such inventions. Because some patent applications are maintained in secrecy for a period of time, there is also a risk that we could adopt a technology without knowledge of a pending patent application, which technology would infringe a third- party patent once that patent is issued. Even if our patent applications succeed and we are issued patents in accordance with them, it is still uncertain whether these patents will be contested, circumvented, invalidated or limited in scope in the future. In addition to those who may claim priority, any of our existing or pending patents may also be challenged by others on the basis that they are otherwise invalid or unenforceable. The rights granted under any issued patents may not provide us with meaningful protection or competitive advantages, and some foreign countries provide significantly less effective patent enforcement than what the United States provides. In addition, the claims under any patents that are issued to us may not be broad enough to prevent others from developing technologies that are similar or that achieve results similar to ours. The intellectual property rights of others could also bar or limit us from licensing, exploiting or enforcing any patents issued to us. In addition, patents issued to us may be infringed upon or designed around by others and others may obtain patents that it needs to license or design around, either of which would increase costs and may adversely affect our business, financial condition, prospects and results of operations. Our failure or the inadequacy of our efforts to protect our intellectual property rights may undermine our competitive position, and litigation associated with our intellectual property rights may be costly. We seek to protect proprietary technologies primarily through patents and trade secrets. Patent protection may not be available or appropriate for some of the products or technology we are developing. While we own several patents and pending patent applications in the United States and in foreign jurisdictions, these applications do not ensure the protection of our intellectual property for a number of reasons, including that there may be prior art of which we are not aware or there may be other patents existing in the patent landscape that affect our freedom to operate. Our business and financial prospects may be harmed to the extent we are required to spend significant resources prosecuting, protecting or enforcing our patents, designing around patents held by others or licensing patents or other proprietary rights from third parties. Additionally, pending applications may not be issued or may be issued with claims significantly narrower than we currently seek. Similarly, patents for which claims have been allowed may be successfully challenged and invalidated. Unless and until our pending applications issue, their protective scope is impossible to determine and, even after issuance, their protective scope may be limited. Also, litigation may be necessary to enforce our intellectual property rights or determine the validity and scope of the proprietary rights of others. Such litigation may result in our intellectual property rights being challenged, limited in scope or declared invalid or unenforceable. We cannot be certain that the outcome of any litigation will be in our favor, and an adverse determination in any such litigation could impair our intellectual property rights and may harm our business, prospects and reputation. In addition, our success depends in large part on our proprietary information, including certain processes, formulations and other know- how developed over years of research and development. We rely heavily on trade secrets, especially in cases where we believe patents or other forms of registered **intellectual property protection may not be appropriate or obtainable. However, trade secrets are difficult to protect. We employ various methods to protect such intellectual property, such as entering into confidentiality agreements with certain third parties and our employees, and controlling access to, and distribution of, our proprietary information. We cannot guarantee that we have entered into such agreements with each party that may have or has had access to our trade secrets or proprietary technology and processes. We cannot assure you that these agreements will provide effective or meaningful protection against the unauthorized use, misappropriation, or disclosure of our trade secrets, know- how, or other proprietary information. Enforcing a claim that a party disclosed proprietary information in an unauthorized manner or misappropriated a trade secret is difficult, expensive and time- consuming, and the outcome is unpredictable. In addition, some courts are less willing or unwilling to protect trade secrets, and agreement terms that address non-competition are difficult to enforce in many jurisdictions and might not be enforceable in certain cases. Furthermore, competitors may independently develop products or technologies that are substantially equivalent or superior to our own, regardless of our efforts to maintain the confidentiality of our trade secrets and other proprietary information. If we are unable to effectively protect our technologies, intellectual property, trade secrets and other proprietary information, our competitive position, business, financial condition, and results of operations could be harmed. A number of foreign countries do not protect intellectual property rights to the same extent as the United States. Therefore, our intellectual property rights may not be as strong or as easily enforced outside of the United States and efforts to protect against the infringement, misappropriation or unauthorized use of our intellectual property rights, technology and other proprietary rights may be difficult and costly outside of the United States. Furthermore, legal standards relating to the intellectual property rights are uncertain and any changes in, or unexpected interpretations of, intellectual property laws may compromise our ability to enforce our patent rights, trade secrets and other intellectual property rights. Patent, trademark, trade secret and other intellectual property laws are geographical in scope and vary throughout the world. Some foreign countries do not protect intellectual property rights to the same extent as do the laws**

of the United States. In addition, trade secrets and know- how can be difficult to protect and some courts inside and outside the United States are less willing or unwilling to protect trade secrets and know- how. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, we would have no right to prevent them from using that technology or information to compete with us, and our competitive position would be materially and adversely harmed. Further, even if we engaged local counsel in key foreign jurisdictions, policing the unauthorized use of our intellectual property in foreign jurisdictions may be difficult or impossible. Therefore, our intellectual property rights may not be as strong or as easily enforced outside of the United States, and efforts to protect against the infringement, misappropriation or unauthorized use of our intellectual property rights, technology and other proprietary rights may be difficult and costly outside of the United States. Furthermore, legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain, and any changes in, or unexpected interpretations of, intellectual property laws may compromise our ability to enforce our patent rights, trade secrets and other intellectual property rights. We may need to defend ourselves against claims that we infringe, have misappropriated or otherwise violate the intellectual property rights of others, which may be time- consuming and would cause us to incur substantial costs. Third- party claims that we are infringing on intellectual property, whether successful or not, could subject us to costly and time- consuming litigation or expensive licenses, and our business could be adversely affected. Companies, organizations, or individuals, including our competitors, and suppliers may hold or obtain patents, trademarks or other proprietary rights that they may in the future believe are infringed by our products or services. Although we are not currently subject to any claims related to intellectual property, these companies holding patents, trademarks or other intellectual property rights allegedly relating to our technologies could, in the future, make claims or bring suits alleging infringement, misappropriation or other violations of such rights, or otherwise asserting their rights and seeking licenses or injunctions. If a claim is successfully brought in the future and we or our products are determined to have infringed, misappropriated or otherwise violated a third party' s intellectual property rights, we may be required to do one or more of the following: ● cease selling or using our products that incorporate the challenged intellectual property; ● pay substantial royalty or license fees or other damages (including treble damages and attorneys' fees if our infringement is determined to be willful); ● obtain a license from the holder of the intellectual property right, which license may not be available on reasonable terms, or at all; ● redesign or reengineer our technology, products or services, which may be costly, time- consuming or impossible; or ● establish and maintain alternative branding for our technology, products or services. Any of the foregoing could adversely affect our business, prospects, operating results and financial condition. In addition, any litigation or claims, whether or not valid, could harm our reputation, result in substantial costs and divert resources and management attention. We rely on licenses to use the intellectual property rights of third parties, which are incorporated into our products, services and offerings. We and our joint ventures rely, and expect to continue to rely on, certain services and intellectual property that we license from third parties for use in our operations. We cannot be certain that our licensors are not infringing upon the intellectual property rights of others or that our suppliers and licensors have sufficient rights to the third- party technology used in our business in all jurisdictions in which we may operate. Disputes with licensors over uses or terms could result in the payment of additional royalties or penalties by us, cancellation or non- renewal of the underlying license or litigation. In the event that we cannot renew and / or expand existing licenses, we may be required to discontinue or limit our use of the operations, products, or offerings that include or incorporate the licensed intellectual property. Any such discontinuation or limitation could have a material and adverse impact on our business, financial condition and results of operation. Risks Related to our Common Stock and Capital Structure Concentration of ownership among our existing executive officers, directors and their respective affiliates may prevent new investors from influencing significant corporate decisions. As of December 31, 2024, our executive officers, directors and their respective affiliates, together, beneficially owned approximately 58. 0 % of our outstanding common stock. As a result, these stockholders are able to exercise a significant level of control over all matters requiring stockholder approval, including the election of directors, amendment of our Charter and approval of significant corporate transactions. This control could have the effect of delaying or preventing a change of control of us or changes in management and will make the approval of certain transactions difficult or impossible without the support of these stockholders. Moreover, this concentration of stock ownership by our significant stockholders may also adversely affect the trading price of our common stock to the extent investors perceive a disadvantage in owning stock of a company with stockholders who own such a significant percentage of our voting securities. Furthermore, any sales of common stock by these significant stockholders in the public ~~accounting~~ **market, or the perception that these sales could occur, could depress the market price of our common stock. There may be future sales of our common stock or other dilution of our equity, which may adversely affect the market price of our common stock. We are not restricted** ~~firm~~ **from** ~~attestation requirement~~ **issuing additional shares of common stock, including securities that are convertible into or exchangeable for, or that represent a right to receive, common stock. Any issuance of additional shares of our common stock or convertible securities will dilute the ownership interest of our existing shareholders. Sales of a substantial number of shares of our common stock or other equity- related securities in the public market, or the perception that these sales could occur, could depress the market price of our common stock and impair our ability to raise capital through the sale of additional equity securities. We cannot predict the effect that future sales of our common stock or other equity- related securities would have** on **the market price of our common stock. We do not intend to pay dividends on our common stock for the foreseeable future. We currently intend to retain all available funds and any future earnings to fund the development and growth of our business. As a result, we do not anticipate declaring or paying any cash dividends on our common stock in the foreseeable future. Any decision to declare and pay dividends in the future will be made at the discretion of our board of**

directors and will depend on, among other things, our business prospects, results of operations, financial condition, cash requirements and availability, certain restrictions related to our indebtedness, industry trends and other factors that our board of directors may deem relevant. Any such decision will also be subject to compliance with contractual restrictions and covenants in the agreements governing our current and future indebtedness. In addition, we may incur additional indebtedness, the terms of which may further restrict or prevent us from paying dividends on our common stock. As a result, you may have to sell some or all of your common stock after price appreciation in order to generate cash flow from your investment, which you may not be able to do. Our inability or decision not to pay dividends, particularly when others in our industry have elected to do so, could also adversely affect the market price of our common stock. Material weaknesses in our internal control over financial reporting ~~. Further, for as long as we remain~~ **could have a significant adverse effect on our business** ~~an~~ **and** ~~emerging growth~~ **the price of our common stock. As a public** company, we **are** ~~will not be~~ required to comply with the **rules of** ~~independent registered public accounting firm attestation requirement on our internal control over financial reporting. The fact that we are a blank check company makes compliance with~~ the ~~requirements~~ **SEC implementing Sections 302 and 404** of the Sarbanes- Oxley Act ~~particularly burdensome~~ **, which requires management to certify financial and other information in our quarterly and annual reports and provide an annual management report** on ~~us as compared to other~~ -- **the effectiveness** ~~public companies because a target business with which we seek to complete our initial business combination may not be in compliance with the provisions~~ of ~~the Sarbanes- Oxley Act regarding adequacy of its internal~~ controls ~~. The development of the internal control of any such entity to achieve compliance with the Sarbanes- Oxley Act may increase the time and costs necessary to complete any such acquisition. Effective internal controls are necessary for us to provide reliable financial reports and prevent fraud. As described in Part II, Item 9A, management has concluded that, due to the material weakness we have identified in our internal control~~ over financial reporting ~~, our disclosure controls and procedures were not effective~~ . **When evaluating** ~~If we identify any new material weaknesses in the future, any such newly identified material weakness could limit our ability to prevent or detect a misstatement of our accounts or disclosures that could result in a material misstatement of our annual or interim financial statements. In such case, we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports in addition to applicable stock exchange listing requirements, investors may lose confidence in our financial reporting and our stock price may decline as a result. We cannot assure you that the measures we have taken to date, or any measures we may take in the future, will be sufficient to avoid potential future material weaknesses. We have a material weakness in~~ our internal control over financial reporting as of ~~December~~ **March** 31, ~~2023~~ **2024 , our management concluded that our disclosure controls** ~~. If we are unable to develop and maintain an~~ **and procedures were not** effective ~~system of~~ **, due solely to the material weakness in our** internal control over financial reporting, ~~we may not be able to accurately report our financial results in a timely manner,~~ which ~~may adversely affect investor confidence in us and materially and adversely affect our~~ **pertains to internal controls over complex accounting issues, including the application of the reverse recapitalization accounting for the** ~~business~~ **Business Combination** and ~~operating results~~ **the VIE accounting for the AirJoule JV** . ~~A~~ **Although the** material weakness ~~is a deficiency~~ **has been remediated as of December 31** , **2024, there can be no assurance that we will not identify additional material weaknesses in the future. If we identify any material weaknesses in** ~~or~~ **our** ~~a combination of deficiencies, in~~ internal control over financial reporting ~~such~~ **or are unable to comply with the requirements of Section 404 in a timely manner or assert** that ~~there is a reasonable possibility that a material misstatement of our annual or~~ **our** ~~interim financial statements will not be prevented or detected and corrected on a timely basis. Management concluded that there was a material weakness in~~ internal control over financial reporting **is** ~~as of December 31, 2023 relating to the accounting for accrued general and administrative expenses and the Company's tax provision. Effective~~ **effective** ~~internal controls are necessary for us to provide reliable financial reports and prevent fraud. We continue to evaluate steps to remediate the material weakness. If we identify any new material weaknesses in the future, any such newly identified material weakness could limit our ability to prevent or detect a misstatement of our accounts or disclosures that could result in a material misstatement of our annual or interim financial statements. In such case, we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports in addition to applicable stock exchange listing requirements~~ , investors may lose confidence in **the accuracy and completeness of** our financial ~~reporting~~ **reports** and ~~our stock~~ **the market** price **of** ~~may decline as a result. We cannot assure you that the measures we have taken to date, or~~ **our** ~~any measures we may take in the future, will be sufficient to avoid potential future material weaknesses. 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. " As of December 31, 2023, we have incurred and expect to continue to incur costs in pursuit of our financing and acquisition plans. We cannot assure you that our plans to raise capital or to consummate an initial business combination will be successful. If we are unable to raise additional funds to alleviate liquidity needs and complete a business combination by March 14, 2024 (or such later date approved by the stockholders or the Board in accordance with our amended and restated certificate of incorporation, including the 2024 Extension) then we will cease all operations except for the purpose of liquidating. The liquidity condition and date for mandatory liquidation and subsequent dissolution raise substantial doubt about the our ability to continue as a going concern. The financial statements contained elsewhere in this report do not include any adjustments that might result from our inability to continue as a going concern. We do not have a specified maximum redemption threshold. The absence of such a redemption threshold may make it possible for us to complete our initial business combination with which a substantial majority of our stockholders do not agree. Our amended and restated certificate of incorporation does not provide a specified maximum redemption threshold. As a result, we may be able to complete our initial business combination even though a substantial majority of our public stockholders do not agree with the transaction and have redeemed their shares or, if we seek stockholder approval of our initial business combination and do not conduct redemptions in connection with our business combination pursuant to the tender offer rules, have entered into privately negotiated agreements to sell their shares to our sponsor, officers, directors, advisors or any of their affiliates. In the event the**

aggregate cash consideration we would be required to pay for all shares of our Class A common stock that **could be materially adversely affected, and we could become subject to investigations by the stock exchange on which our securities** are validly submitted **listed, the SEC** for - **or** redemption plus any amount **other regulatory authorities, which could** required - **require** to satisfy cash conditions pursuant to the terms **additional financial and management resources. Anti- takeover provisions in our governing documents and under Delaware law could make an acquisition** of the proposed business combination exceed the aggregate amount of cash available to us **more difficult** , **limit attempts by** we will not complete the business combination or **our stockholders to replace** redeem any shares, all shares of our - **or** Class A **remove our current management and limit the market price of our** common stock submitted **. Our Charter and Bylaws contain provisions that could have the effect of making it more difficult, delaying** for - **or** redemption will **preventing an acquisition deemed undesirable by our board of directors. Thes provisions include: ● a staggered board, which means that our board of directors is classified into three classes of directors with staggered three- year terms and directors are only able to** be returned to the holders thereof, and we instead may search for an alternate business combination. In order to effectuate an initial business combination, blank check companies have, in the recent past, amended various provisions of their charters and other governing instruments, including their warrant agreements. We cannot assure you that we will not seek to further amend our amended and restated certificate of incorporation or governing instruments in a manner that will make it easier for us to complete our initial business combination that our stockholders may not support. In order to effectuate a business combination, blank check companies have, in the recent past, amended various provisions of their charters and governing instruments, including their warrant agreements. For example, blank check companies have amended the definition of business combination, increased redemption thresholds, changed industry focus and, with respect to their warrants, amended their warrant agreements to require the warrants to be exchanged for cash and / or other securities. Amending our amended and restated certificate of incorporation requires the approval of holders of 65 % of our common stock, and amending our public warrant agreement will require a vote of holders of at least 50 % of the public warrants. In addition, our amended and restated certificate of incorporation requires us to provide our public stockholders with the opportunity to redeem their public shares for cash if we propose an amendment to our amended and restated certificate of incorporation that would affect the substance or timing of our obligation to provide holders of shares of Class A common stock the right to have their shares redeemed in connection with our initial business combination or to redeem 100 % of our public shares if we do not complete an initial business combination by March 14, 2024 (or such later date approved by the stockholders or the Board in accordance with our amended and restated certificate of incorporation, including the 2024 Extension) or with respect to any other provisions relating to the rights of holders of Class A common stock. To the extent any of such amendments would be deemed to fundamentally change the nature of any of the securities offered in our IPO, we would register, or seek an exemption from registration for, the affected securities. In connection with the Extension, stockholders holding 18, 141, 822 shares of Class A common stock exercised their right to redeem such shares for a pro rata portion of the funds in the trust account. As a result, approximately $ 188, 132, 132 (approximately $ 10. 37 per share) was removed from **office** the trust account to pay such redeeming holders. Additionally, we filed a definitive proxy statement for the **cause; ●** solicitation -- **limitations on convening** of proxies in connection with a special meeting of stockholders of the company to consider and vote on, among other proposals, the extension of the date by which the company must consummate an initial business combination from March 14, 2024 to April 14, 2024, and to allow the company, without another stockholder vote, by resolution of the Board, to elect to further extend such date in one- month increments up to three additional times until July 14, 2024, unless the closing of an initial business combination shall have occurred prior thereto, or such earlier date as determined by the Board to be in the best interests of the company. We cannot assure you that we will not seek to amend our charter or governing instruments or further extend the time to consummate an initial business combination in order to effectuate our initial business combination. The provisions of our amended and restated certificate of incorporation that relate to our pre- business combination activity (and corresponding provisions of the agreement governing the release of funds from our trust account) may be amended with the approval of holders of at least 65 % of our common stock, which is a lower amendment threshold than that of some other blank check companies. It may be easier for us, therefore, to amend our amended and restated certificate of incorporation to facilitate the completion of an initial business combination that some of our stockholders may not support. Some other blank check companies have a provision in their charter which prohibits the amendment of certain of its provisions, including those which relate to a company' s pre- business combination activity, without approval by a certain percentage of our stockholders. In those companies, amendment of these provisions typically requires approval by 90 % of our stockholders attending and voting at an annual meeting **meetings** . Our amended and restated certificate of incorporation provides that any of its provisions related to pre- business combination activity (including the requirement to deposit proceeds of our IPO and the private placement of warrants into the trust account and not release such amounts except in specified circumstances, and to provide redemption rights to public stockholders as described herein) may be amended if approved by holders of 65 % of our common stock entitled to vote thereon and corresponding provisions of the trust agreement governing the release of funds from our trust account may be amended if approved by holders of at least 65 % of our common stock entitled to vote thereon. In all other instances, our amended and restated certificate of incorporation may be amended by holders of a majority of our outstanding shares of common stock entitled to vote thereon, subject to applicable provisions of the DGCL or applicable stock exchange rules. Our sponsor and its permitted transferees, if any, who collectively beneficially own, on an as converted basis, 40 % of our Class A common stock from the closing of our IPO, will participate in any vote to amend our amended and restated certificate of incorporation and / or trust agreement and will have the discretion to vote in any manner they choose. As a result, we may be able to amend the provisions of our amended and restated certificate of incorporation which govern our pre- business combination behavior more easily than some other blank check companies, and this may increase our ability to complete a business combination with which you do not agree. Our stockholders may pursue remedies against us for any breach of our amended and restated certificate of incorporation. Our

~~sponsor, executive 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 that would affect the substance or timing of our obligation to provide holders of shares of Class A common stock the right to have their shares redeemed in connection with our initial business combination or to redeem 100 % of our public shares if we do not complete an initial business combination by March 14, 2024 (or such later date approved by the stockholders or the Board in accordance with our amended and restated certificate of incorporation, including the 2024 Extension), unless we provide our public stockholders with the opportunity to redeem their 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, if any (less up to $ 100, 000 of interest to pay dissolution expenses) divided by the number of then outstanding public shares. These agreements are contained in letter agreements that we have entered into with our sponsor, directors and each member of our management team. Our stockholders are not parties to, or third- party beneficiaries of, these agreements and, as a result, will not have the ability to pursue remedies against our sponsor, executive officers or directors for any breach of these agreements. As a result, in the event of a breach, our stockholders would need to pursue a stockholder derivative action, subject to applicable law. We may be unable to obtain additional financing to complete our initial business combination or to fund the operations and growth of a target business~~ , which could ~~compel us to restructure or abandon a particular business combination. If we do not complete our initial business combination, our public stockholders may only receive their pro rata portion of the funds in the trust account that are available for distribution to public stockholders, and our warrants will expire worthless. Although we believe that the net proceeds of our IPO and the sale of the private placement warrants will be sufficient to allow us to complete our initial business combination, because we have not yet selected any prospective target business we cannot ascertain the capital requirements for any particular transaction. If the net proceeds of our IPO and the sale of the private placement warrants prove to be insufficient, either because of the size of our initial business combination, the depletion of the available net proceeds in search of a target business, the obligation to redeem for cash a significant number of shares from stockholders who elect redemption in connection with our initial business combination or the terms of negotiated transactions to purchase shares in connection with our initial business combination, we may be required to seek additional financing or to abandon the proposed business combination. We cannot assure you that such financing will be available on acceptable terms, if at all. The current economic environment may~~ make it difficult for ~~companies to obtain acquisition financing. To the extent that additional financing proves to be unavailable when needed to complete our initial business combination, we would be compelled to either restructure the transaction or~~ **our** ~~abandon that particular business combination and seek an alternative target business candidate. If we do not complete our initial business combination, our public~~ stockholders ~~may only receive their pro rata portion of the funds in the trust account that are available for distribution~~ to **adopt desired governance changes** ~~public stockholders and not previously released to us to pay our taxes on the liquidation of our trust account, and our warrants will expire worthless. In addition, even if we do not need additional financing to complete our initial business combination, we may require such financing to fund the operations or growth of the target business. The failure to secure additional financing could have a material adverse effect on the continued development or growth of the target business. None of our officers, directors or stockholders is required to provide any financing to us in connection with or after our initial business combination. If we do not complete our initial business combination, our public stockholders may only receive approximately $ 10. 80 per public share based on the balance of the trust account as of December 29, 2023, on the liquidation of our trust account, and our warrants will expire worthless. Our initial stockholders and the anchor investors control a substantial interest in us and thus may exert a substantial influence on actions requiring a stockholder vote, potentially in a manner that you do not support. Upon closing of our IPO, our initial stockholders (including our sponsor) owned, on an as- converted basis, 40 % of our issued and outstanding Class A common stock. There was no underwriting discount or commission paid on any units the anchor investors purchased in our IPO. Accordingly, they may exert a substantial influence on actions requiring a stockholder vote, potentially in a manner that you do not support, including amendments to our amended and restated certificate of incorporation. In addition, our Board, whose members were elected by our sponsor, is divided into three classes, each of which will generally serve for a terms for three years with only one class of directors being elected in each year. We may not hold an annual meeting of stockholders to elect new directors prior to the completion of our initial business combination, in which case all of the current directors will continue in office until at least the completion of the business combination. If there is an annual meeting, as a consequence of our " staggered " board of directors, only a minority of the Board will be considered for election and our sponsor, because of its ownership position, will have considerable influence regarding the outcome. In addition, prior to the completion of an initial business combination, holders of a majority of our founder shares may remove a member of the Board for any reason. Accordingly, our sponsor will continue to exert control at least until the completion of our initial business combination. 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 do not complete our initial business combination, our public stockholders may only receive their pro rata portion of the funds in the Trust Account that are available for distribution to public stockholders, and our warrants will expire worthless. We anticipate that the investigation of each specific target business and the negotiation, drafting and execution of relevant agreements, disclosure documents and other instruments will require substantial management time and attention and substantial costs for accountants, attorneys and others. If we decide not to complete a specific initial business combination, the costs incurred up to that point for the proposed transaction likely would not be recoverable. Furthermore, if we reach an agreement relating to a specific target business, we may fail to complete our initial business combination for any number of reasons including those beyond our control. Any such event will result in a loss to us of the related costs incurred which could materially adversely affect subsequent attempts to locate and acquire or merge with another business. If we do not complete our initial business combination, our public stockholders may only receive their pro rata portion of the funds in the Trust Account that are available for distribution to public stockholders, and~~

~~our warrants will expire worthless. Our key personnel may negotiate employment or consulting agreements with a target business in connection with a particular business combination, and a particular business combination may be conditioned on the retention or resignation of such key personnel. These agreements may provide for them to receive compensation following our initial business combination and as a result, may cause them to have conflicts of interest in determining whether a particular business combination is the most advantageous. Our key personnel may be able to remain with our company after the completion of our initial business combination only if they are able to negotiate employment or consulting agreements in connection with the business combination. Such negotiations would take place simultaneously with the negotiation of the business combination and could provide for such individuals to receive compensation in the form of cash payments and / or our securities for services they would render to us after the completion of the business combination. Such negotiations also could make such key personnel' s retention or resignation a condition to any such agreement. The personal and financial interests of such individuals may influence their motivation in identifying and selecting a target business, subject to his or her fiduciary duties under Delaware law. However, we believe the ability of such individuals to remain with us after the completion of our business combination will not be the determining factor in our decision as to whether or not we will proceed with any potential business combination. There is no certainty, however, that any of our key personnel will remain with us after the completion of our business combination. We cannot assure you that any of our key personnel will remain in senior management or advisory positions with us. The determination as to whether any of our key personnel will remain with us will be made at the time of our initial business combination. In addition, pursuant to an agreement entered into concurrently with the issuance and sale of the securities in our IPO, our sponsor, upon completion of an initial business combination, will be entitled to nominate three individuals for election to our Board, as long as our sponsor holds any securities covered by the registration and stockholder rights agreement. We may have a limited ability to assess the management of a prospective target business and, as a result, may affect our initial business combination with a target business whose management may not have the skills, qualifications or abilities to manage a public company. When evaluating the desirability of effecting our initial business combination with a prospective target business, our ability to assess the target business' s management may be limited due to a lack of time, resources or information. Our assessment of the capabilities of the target business' s management, therefore, may prove to be incorrect and such management may lack the skills, qualifications or abilities we suspected. Should the target business' s management not possess the skills, qualifications or abilities necessary to manage a public company, the operations and profitability of the post- combination business may be negatively impacted. Accordingly, any stockholders who choose to remain stockholders following the business combination could suffer a reduction in the value of their shares. Such stockholders are unlikely to have a remedy for such reduction in value unless they are able to successfully claim that the reduction was due to the breach by our officers or directors of a duty of care or other fiduciary duty owed to them, or if they are able to successfully bring a private claim under securities laws that the proxy solicitation or tender offer materials, as applicable, relating to the business combination contained an actionable material misstatement or material omission. We may issue notes or other debt securities, or otherwise incur substantial debt, to complete a business combination, which may adversely affect our leverage and financial condition and thus negatively impact the value of our stockholders' investment in us. Although we have no commitments as of the date of this Report to issue any notes or other debt securities, or to otherwise incur outstanding debt following our IPO, we may choose to incur substantial debt to complete our initial business combination. We and our officers have agreed that we will not incur any indebtedness unless we have obtained from the lender a waiver of any right, title, interest or claim of any kind in or to the monies held in the trust account. As such, no issuance of debt will affect the per- share amount available for redemption from the trust account. Nevertheless, the incurrence of debt could have a variety of negative effects, including: ● default and foreclosure on our assets if our operating revenues after an initial business combination are insufficient to repay our debt obligations ; ● acceleration of our obligations to repay the indebtedness even if we make all principal and interest payments when due if we breach certain covenants that require the maintenance of certain financial ratios or reserves without a waiver or renegotiation of that covenant ;~~ ● **a prohibition** ~~our immediate payment of all principal and accrued interest, if any, if the debt security is payable~~ on **stockholder action by written consent** ~~demand; ● our inability to obtain necessary additional financing if the debt security contains covenants restricting our ability to obtain such financing while the debt security is outstanding; ● our inability to pay dividends on our Class A common stock; ● using a substantial portion of our cash flow to pay principal and interest on our debt~~ , which **means that our stockholders** will ~~reduce the funds available for dividends on our Class A common stock if declared, our ability to pay expenses, make capital expenditures and acquisitions and fund other general corporate purposes; ● limitations on our flexibility in planning for and reacting to changes in our business and in the industry in which we operate; ● increased vulnerability to adverse changes in general economic, industry and competitive conditions and adverse changes in government regulation; and ● limitations on our ability to borrow additional amounts for expenses, capital expenditures, acquisitions, debt service requirements and execution of our strategy and other purposes and other disadvantages compared to our competitors who have less debt. We may~~ only be able to **take action at** ~~complete one business combination with the proceeds of our IPO and the sale of the private placement warrants, which will cause us to be solely dependent on~~ a **meeting** ~~single business which may have a limited number~~ of ~~products or services. This lack of diversification may negatively impact our operations and profitability. In connection with the Extension,~~ stockholders ~~holding 18, 141, 822 shares of Class A common stock exercised their right to redeem such shares for a pro rata portion of the funds in the trust account. As a result, approximately $ 188, 132, 132 (approximately $ 10. 37 per share) was removed from the trust account to pay such redeeming holders. After the satisfaction of the June Redemptions, the balance in the trust account as of December 31, 2023 was approximately $ 114, 641, 527, which is available to complete our business combination and pay related fees and expenses. If we receive stockholder approval for and implement the 2024 Extension, stockholders would have the right to redeem their public shares, which will further reduce the funds in the trust account available to consummate an initial business combination. We may effectuate our initial business combination with a single target business or multiple target~~

businesses simultaneously or within a short period of time. However, we may not be able to effectuate our initial business combination with more than one target business because of various factors, including the existence of complex accounting issues and the requirement that we prepare and file pro forma financial statements with the SEC that present operating results and the financial condition of several target businesses as if they had been operated on a combined basis. By completing our initial business combination with only a single entity, our lack of diversification may subject us to numerous economic, competitive and regulatory developments. Further, we would not be able to diversify our operations or benefit from the possible spreading of risks or offsetting of losses, unlike other entities which may have the resources to complete several business combinations in different industries or different areas of a single industry. Accordingly, the prospects for our success may be: ● solely dependent upon the performance of a single business, property or asset; or ● dependent upon the development or market acceptance of a single or limited number of products, processes or services. This lack of diversification may subject us to numerous economic, competitive and regulatory risks, any or all of which may have a substantial adverse impact upon the particular industry in which we may operate subsequent to our initial business combination. 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. If we determine to simultaneously acquire several businesses that are owned by different sellers, we will need for each of such sellers to agree that our purchase of its business is contingent on the simultaneous closings of the other business combinations, which may make it more difficult for us, and delay our ability, to complete our initial business combination. With multiple business combinations, we could also face additional risks, including additional burdens and costs with respect to possible multiple negotiations and due diligence (if there are multiple sellers) and the additional risks associated with the subsequent assimilation of the operations and services or products of the acquired companies in a single operating business. If we are unable to adequately address these risks, it could negatively impact our profitability and results of operations. 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. In pursuing our acquisition strategy, we may seek to effectuate our initial business combination with a privately held company. By definition, very little public information generally exists about private companies, and we could be required to make our decision on whether to pursue a potential initial business combination on the basis of limited information, which may result in a business combination with a company that is not as profitable as we suspected, if at all. Our initial business combination and our structure thereafter may not be tax- efficient to our securityholders. Although we will attempt to structure our initial business combination in a tax- efficient manner, tax structuring considerations are complex, the relevant facts and law are uncertain and may change, and we may prioritize commercial and other considerations over tax considerations. For example, in connection with our initial business combination and subject to requisite stockholder approval, we may structure our business combination in a manner that requires stockholders and / or warrant holders to recognize gain or income for tax purposes. We do not intend to make any cash distributions to stockholders or warrant holders to pay taxes in connection with our business combination or thereafter. Accordingly, a stockholder or a warrant holder may need to satisfy any liability resulting from our initial business combination with cash from its own funds or by selling all or a portion of such holder' s shares or warrants. If we pursue a target company with operations or opportunities outside of the United States for our initial business combination, we may face additional burdens in connection with investigating, agreeing to and completing such initial business combination, and if we effect such initial business combination, we would be subject to a variety of additional risks that may negatively impact our operations. If we pursue a target a company with operations or opportunities outside of the United States for our initial business combination, we would be subject to risks associated with cross- border business combinations, including in connection with investigating, agreeing to and completing our initial business combination, conducting due diligence in a foreign jurisdiction, having such transaction approved by any local governments, regulators or agencies and changes in the purchase price based on fluctuations in foreign exchange rates. If we effect our initial business combination with such a company, we would be subject to any special considerations or risks associated with companies operating in an international setting, including any of the following: ● costs and difficulties inherent in managing cross- border business operations and complying with different commercial and legal requirements of overseas markets; ● rules and regulations regarding currency redemption; ● laws governing the manner in which future business combinations may be effected; ● exchange listing and / or delisting requirements; ● tariffs and trade barriers; ● regulations related to customs and import / export matters; ● local or regional economic policies and market conditions; ● unexpected changes in regulatory requirements; ● longer payment cycles; ● tax issues, including limits on our ability to change our tax residence from the United States, complex withholding or other tax regimes which may apply in connection with our business combination or to our structure following our business combination, variations in tax laws as compared to the United States, and potential changes in the applicable tax laws in the United States and / or relevant non- U. S. jurisdictions; ● currency fluctuations and exchange controls; ● rates of inflation; ● challenges in collecting accounts receivable; ● cultural and language differences; ● employment regulations; ● underdeveloped or unpredictable legal or regulatory systems; ● corruption; ● protection of intellectual property; ● social unrest, crime, strikes, riots and civil disturbances; ● regime changes and political upheaval; ● terrorist attacks, natural disasters and wars such as the recent invasion of Ukraine by Russia; ● deterioration of political relations with the United States; and ● government appropriation of assets. We may not be able to adequately address these additional risks. If we were unable to do so, we may be unable to complete such initial business combination, or, if we complete such combination, our operations might suffer, either of which may adversely impact our business, financial condition and results of operations. Our search for a business combination, and any target business with which we ultimately consummate a business combination, may be materially adversely affected by negative impacts on the global economy, capital markets or other geopolitical conditions resulting from the invasion of Ukraine by Russia and the Israel- Hamas war, terrorism, sanctions or other geopolitical events globally, and the status of debt and equity markets. United States and global markets are experiencing

volatility and disruption following the escalation of geopolitical tensions, including the invasion of Ukraine by Russia in February 2022 and the Israel- Hamas war. In response to the invasion of Ukraine by Russia, the North Atlantic Treaty Organization (" NATO ") deployed additional military forces to eastern Europe, and the United States, the United Kingdom, the European Union and other countries have announced various sanctions and restrictive actions against Russia, Belarus and related individuals and entities, including the removal of certain financial institutions from the Society for Worldwide Interbank Financial Telecommunication (SWIFT) payment system. Certain countries, including the United States, have also provided and may continue to provide military aid or other assistance to Ukraine during the ongoing military conflict, increasing geopolitical tensions with Russia. The invasion of Ukraine by Russia, the Israel- Hamas war and the resulting measures that have been taken, and could be taken in the future, by NATO, the United States, the United Kingdom, the European Union and other countries have created global security concerns that could have a lasting impact on regional and global economies. Although the length and impact of these ongoing military conflicts are highly unpredictable, the conflicts could lead to market disruptions, including significant volatility in commodity prices, credit and capital markets, as well as supply chain interruptions. Additionally, these military actions and resulting sanctions could adversely affect the global economy and financial markets and lead to instability and lack of liquidity in capital markets. Any of the abovementioned factors, or any other negative impact on the global economy, capital markets or other geopolitical conditions resulting from the invasion of Ukraine by Russia and the Israel- Hamas war, terrorism, sanctions or other geopolitical events globally could adversely affect our search for a business combination and any target business with which we ultimately consummate a business combination. The extent and duration of the invasion of Ukraine by Russia and the Israel- Hamas war, resulting sanctions and any related market disruptions are impossible to predict, but could be substantial, particularly if current or new sanctions continue for an extended period of time or if geopolitical tensions result in expanded military operations on a global scale. Any such disruptions may also have the effect of heightening many of the other risks described in this " Risk Factors " section, such as those related to the market for our securities, cross- border transactions or our ability to raise equity or debt financing in connection with any particular business combination. If these disruptions or other matters of global concern continue for an extensive period of time, our ability to consummate a business combination, or the operations of a target business with which we ultimately consummate a business combination, may be materially adversely affected. If we effect a business combination with a target company organized in another jurisdiction, we may take actions in connection with the business combination that could have adverse tax consequences. We may effect a business combination with a target company in another jurisdiction, reincorporate in the jurisdiction in which the target company or business is located, or reincorporate in another jurisdiction. Such transactions may result in tax liability for a stockholder or warrant holder in the jurisdiction in which the stockholder or warrant holder is a tax resident (or in which its members are resident if it is a tax transparent entity), in which the target company is located, or in which we reincorporate. In the event of a reincorporation pursuant to our initial business combination, such tax liability may attach prior to the completion of redemptions of any of our public shares properly submitted to us for redemption in connection with such business combination. We do not intend to make any cash distributions to stockholders to pay such taxes. Stockholders or warrant holders may be subject to withholding taxes or other taxes with respect to their ownership of us after the reincorporation. Furthermore, we may effect a business combination with a target company that has business operations outside of the United States and, possibly, business operations in multiple jurisdictions. If we effect such a business combination, we could be subject to significant income, withholding and other tax obligations in a number of jurisdictions with respect to income, operations and subsidiaries related to those jurisdictions. Due to the complexity of tax obligations and filings in other jurisdictions, we may have a heightened risk related to audits or examinations by taxing authorities. This additional complexity and risk could have an adverse effect on our after- tax profitability and financial condition. If we have not completed an initial business combination by March 14, 2024 (or such later date approved by the stockholders or the Board in accordance with our amended and restated certificate of incorporation, including the 2024 Extension), our public stockholders may be forced to wait beyond March 14, 2024 (or such later date approved by the stockholders or the Board in accordance with our amended and restated certificate of incorporation, including the 2024 Extension) before redemption from our Trust Account. If we have not completed an initial business combination by March 14, 2024 (or such later date approved by the stockholders or the Board in accordance with our amended and restated certificate of incorporation, including the 2024 Extension), the proceeds 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, if any (less up to $ 100, 000 of the interest to pay dissolution expenses), will be used to fund the redemption of our public shares, as further described herein. Any redemption of public stockholders from the Trust Account will be effected automatically by function of our amended and restated certificate of incorporation prior to any voluntary winding up. If we are required to wind- up, liquidate the Trust Account and distribute such amount therein, pro rata, to our public stockholders, as part of any liquidation process, such winding up, liquidation and distribution must comply with the applicable provisions of the DGCL. In that case, investors may be forced to wait beyond March 14, 2024 (or such later date approved by the stockholders or the Board in accordance with our amended and restated certificate of incorporation, including the 2024 Extension) before the redemption proceeds of our Trust Account become available to them, and they receive the return of their pro rata portion of the proceeds from our Trust Account. We have no obligation to return funds to investors prior to the date of our redemption or liquidation unless we complete our initial business combination prior thereto and only then in cases where investors have sought to redeem their Class A common stock. Only upon our redemption or any liquidation will public stockholders be entitled to distributions if we do not complete our initial business combination. Holders of our Class A common stock will not be entitled to vote on any appointment of directors we hold prior to our initial business combination. Prior to our initial business combination, only holders of our founder shares will have the right to vote on the appointment of our directors. Holders of our public shares will not be entitled to vote on the appointment of our directors during such time. In addition, prior to the completion of an initial business combination, holders of a majority of our founder shares may remove a member of the Board

for any reason. Accordingly, you may not have any say in the management of our company prior to the completion of an initial business combination. The grant of registration rights to our sponsor may make it more difficult to complete our initial business combination, and the future exercise of such rights may adversely affect the market price of the shares of our Class A common stock. Pursuant to an agreement entered into concurrently with the issuance and sale of the securities in our IPO, our sponsor and its permitted transferees can demand that we register the shares of our Class A common stock into which founder shares are convertible, the private placement warrants and the Class A common stock issuable upon exercise of the private placement warrants, and warrants that may be issued upon conversion of working capital loans and the Class A common stock issuable upon conversion of such warrants. The registration rights will be exercisable with respect to the founder shares and the private placement warrants and the Class A common stock issuable upon exercise of such private placement warrants. The registration and availability of such a significant number of securities for trading in the public market may have an adverse effect on the market price of our Class A common stock. In addition, the existence of the registration rights may make our initial business combination more costly or difficult to conclude. This is because the stockholders of the target business may increase the equity stake they seek in the combined entity or ask for more cash consideration to offset the negative impact on the market price of our Class A common stock that is expected when the securities owned by our sponsor or initial stockholders, holders of our private placement warrants or holders of warrants issued upon conversion of working capital loans, if any, or their permitted transferees are registered. We may seek business combination opportunities with a high degree of complexity that require significant operational improvements, which could delay or prevent us from achieving our desired results. We may seek business combination opportunities with large, highly complex companies that we believe would benefit from operational improvements. While we intend to implement such improvements, to the extent that our efforts are delayed or we are unable to achieve the desired improvements, the business combination may not be as successful as we anticipate. To the extent we complete our initial business combination with a large complex business or entity with a complex operating structure, we may also be affected by numerous risks inherent in the operations of the business with which we combine, which could delay or prevent us from implementing our strategy. Although our management team will endeavor to evaluate the risks inherent in a particular target business and its operations, we may not be able to properly ascertain or assess all of the significant risk factors until we complete our business combination. If we are not able to achieve our desired operational improvements, or the improvements take longer to implement than anticipated, we may not achieve the gains that we anticipate. Furthermore, some of these risks and complexities may be outside of our control and leave us with no ability to control or reduce the chances that those risks and complexities will adversely impact a target business. Such combination may not be as successful as a combination with a smaller, less complex organization. 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. In recent months, the market for directors and officers liability insurance for special purpose acquisition companies has changed in ways adverse to us and our management team. Fewer insurance companies are offering quotes for directors and officers liability coverage, the premiums charged for such policies have generally increased and the terms of such policies have generally become less favorable. These trends may continue into the future. The increased cost and decreased availability of directors and officers liability insurance could make it more difficult and more expensive for us to negotiate an initial business combination. In order to obtain directors and officers liability insurance or modify its coverage as a result of becoming a public company, the post- business combination entity might need to incur greater expense, accept less favorable terms or both. However, any failure to obtain adequate directors and officers liability insurance could have an adverse impact on the post- business combination' s ability to attract and retain qualified officers and directors. In addition, even after we were to complete an initial business combination, our directors and officers could still be subject to potential liability from claims arising from conduct alleged to have occurred prior to the initial business combination. As a result, in order to protect our directors and officers, the post- business combination entity may need to purchase additional insurance with respect to any such claims (" run- off insurance "). The need for run- off insurance would be an added expense for the post- business combination entity, and could interfere with or frustrate our ability to complete an initial business combination on terms favorable to our investors. Risks Relating to Our Sponsor and Management Team Our ability to successfully effect our initial business combination and to be successful thereafter will be totally dependent upon the efforts of our key personnel, some of whom may join us following our initial business combination. The loss of key personnel could negatively impact the operations and profitability of our post- combination business. Our ability to successfully effect our initial business combination is dependent upon the efforts of our key personnel. The role of our key personnel in the target business, however, cannot presently be ascertained. Although some of our key personnel may remain with the target business in senior management, director or advisory positions following our initial business combination, it is likely that some or all of the management of the target business will remain in place. While we intend to closely scrutinize any individuals we engage after our initial business combination, we cannot assure you that our assessment of these individuals will prove to be correct. These individuals may be unfamiliar with the requirements of operating a company regulated by the SEC, which could cause us to have to expend time and resources helping them become familiar with such requirements. We are dependent upon our executive officers and directors and their loss could adversely affect our ability to operate. Our operations are dependent upon a relatively small group of individuals and, in particular, our executive officers and directors. We believe that our success depends on the continued service of our officers and directors, at least until we have completed our initial business combination. In addition, our executive officers and directors are not required to commit any specified amount of time to our affairs and, accordingly, will have conflicts of interest in allocating their time among various business activities, including identifying potential business combinations and monitoring the related due diligence. We do not have an employment agreement with, or key- man insurance on the life of, any of our directors or executive officers. The unexpected loss of the services of one or more of our directors or executive officers could have a detrimental effect on us. The officers and directors of an acquisition candidate may resign upon completion of our initial business combination. The loss of a business combination target' s key personnel could negatively

impact the operations and profitability of our post- combination business. The role of an acquisition candidate' s key personnel upon the completion of our initial business combination cannot be ascertained at this time. Although we contemplate that certain members of an acquisition candidate' s management team will remain associated with the acquisition candidate following our initial business combination, it is possible that members of the management of an acquisition candidate will not wish to remain in place. Our executive officers and directors will allocate their time to other businesses thereby causing conflicts of interest in their determination as to how much time to devote to our affairs. This conflict of interest could have a negative impact on our ability to complete our initial business combination. Our executive officers and directors are not required to, and will not, commit their full time to our affairs, which may result in a conflict of interest in allocating their time between our operations and our search for a business combination and their other businesses. We do not intend to have any full- time employees prior to the completion of our initial business combination. Each of our executive officers and directors is engaged in several other business endeavors for which he may be entitled to substantial compensation, and our executive officers and directors are not obligated to contribute any specific number of hours per week to our affairs. In particular, an affiliate of our sponsor and our officers and directors participated in the formation and management of XPDI I, a special purpose acquisition company that completed its initial business combination with Core Scientific Holding Co. (" Core Scientific ") in January 2022. In addition, our directors and officers and their and our sponsor' s respective affiliates may sponsor, form or participate in other blank check companies similar to ours during the period in which we are seeking an initial business combination. Such entities may compete with us for business combination opportunities. Our independent directors also serve as officers and board members for other entities. If our executive officers' and directors' other business affairs require them to devote substantial amounts of time to such affairs in excess of their current commitment levels, it could limit their ability to devote time to our affairs which may have a negative impact on our ability to complete our initial business combination. Our officers and directors presently have, and any of them in the future may have additional, fiduciary or contractual obligations to other entities, including or one or more other blank check companies, and, accordingly, may have conflicts of interest in allocating their time and determining to which entity a particular business opportunity should be presented. Until we complete our initial business combination, we intend to engage in the business of identifying and combining with one or more businesses or entities. 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, including one or more other blank check companies, pursuant to which such officer or director is or will be required to present a business combination opportunity to such entity, subject to his or her fiduciary duties under Delaware law. Accordingly, they may have conflicts of interest in determining to which entity a particular business opportunity should be presented. These conflicts may not be resolved in our favor and a potential target business may be presented to another entity prior to its presentation to us, subject to their fiduciary duties under Delaware law. However, we do not believe that any potential conflicts would materially affect our ability to complete our initial business combination. In addition, our directors and officers and our sponsor or its affiliates may in the future become affiliated with other blank check companies that may have acquisition objectives that are similar to ours. Accordingly, they may have conflicts of interest in determining to which entity a particular business opportunity should be presented. These conflicts may not be resolved in our favor and a potential target business may be presented to such other blank check companies prior to its presentation to us, subject to our officers' and directors' fiduciary duties under Delaware law. Our amended and restated certificate of incorporation provides that we renounce our interest in any business combination 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 the company and it is an opportunity that we are able to complete on a reasonable basis. Our executive officers, directors, security holders and their respective affiliates may have competitive pecuniary interests that conflict with our interests. We have not adopted a policy that expressly prohibits our directors, executive officers, security holders or affiliates from having a direct or indirect pecuniary or financial interest in any investment to be acquired or disposed of by us or in any transaction to which we are a party or have an interest. In fact, we may enter into a business combination with a target business that is affiliated with our sponsor, our directors or executive officers, although we do not intend to do so. Nor do we have a policy that expressly prohibits any such persons from engaging for their own account in business activities of the types conducted by us, including the formation or participation in one or more other blank check companies. Accordingly, such persons or entities may have a conflict between their interests and ours. The personal and financial interests of our directors and officers may influence their motivation in timely identifying and selecting a target business and completing a business combination. Consequently, our directors' and officers' discretion in identifying and selecting a suitable target business may result in a conflict of interest when determining whether the terms, conditions and timing of a particular business combination are appropriate and in our stockholders' best interest. If this were the case, it would be a breach of their fiduciary duties to us as a matter of Delaware law and we or our stockholders might have a claim against such individuals for infringing on our stockholders' rights. However, we might not ultimately be successful in any claim we may make against them for such reason. We may engage in a business combination with one or more target businesses that have relationships with entities that may be affiliated with our sponsor, executive officers, directors or existing holders which may raise potential conflicts of interest. In light of the involvement of our sponsor, executive officers and directors with other entities, we may decide to acquire one or more businesses affiliated with our sponsor, executive officers, directors or existing holders. Our directors also serve as officers and board members for other entities. Our directors and officers and our sponsor or its affiliates may sponsor, form or participate in other blank check companies similar to ours during the period in which we are seeking an initial business combination. Such entities may compete with us for business combination opportunities. Our sponsor, including any of its affiliates, officers and directors are not currently aware of any specific opportunities for us to complete our initial business combination with any entities with which they are affiliated, and there have been no substantive discussions concerning a business combination with any such entity or entities. Although we will not be specifically focusing on, or targeting, any transaction with any affiliated entities, we would pursue such a transaction if we determined that such affiliated entity met our criteria for a business

~~combination as set forth in the section of this Report entitled " Item 1- Evaluation of a Target Business and Structuring of our Initial Business Combination " and such transaction was approved by a majority of our independent and disinterested directors. Despite our agreement to obtain an opinion from an independent investment banking firm, or from an independent accounting firm, regarding the fairness to our company from a financial point of view of a business combination with one or more domestic or international businesses affiliated with our sponsor, executive officers, directors or existing holders, potential conflicts of interest still may exist and, as a result, the terms of the business combination may not be as advantageous to our public stockholders as they would be absent any conflicts of interest. Since our sponsor, anchor investors, executive officers and directors will lose their entire investment in us if our initial business combination is not completed (other than with respect to public shares they may acquire during or after our IPO), and because our sponsor, executive officers and directors who have an interest in founder shares may profit substantially from a business combination even under circumstances where 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. In March 2021, our sponsor paid an aggregate of $ 25, 000, or approximately $ 0. 004 per share, to cover certain of our offering costs in consideration of 5, 750, 000 shares of our Class B common stock. In November 2021, we effected a stock dividend of 1, 437, 500 shares of our Class B common stock, resulting in there being an aggregate of 7, 187, 500 shares of our Class B common stock outstanding. We have agreed to sell to the anchor investors 1, 078, 125 founder shares and the anchor investors have agreed to purchase from us on the date of the initial business combination an aggregate of 1, 078, 125 founder shares for an aggregate purchase price of approximately $ 3, 750, or approximately $ 0. 004 per share. Our sponsor has also agreed that in the event of such purchase by the anchor investors, our sponsor will forfeit to us for no consideration a number of founder shares equal to the number of founder shares purchased by the anchor investors. In July 2021, our sponsor transferred 30, 000 shares of Class B common stock to each of the four independent director nominees, a total of 120, 000 shares of Class B common stock. In November 2021, our sponsor repurchased 30, 000 shares of Class B common stock from a former independent director nominee. Prior to the initial investment in the company of $ 25, 000 by our sponsor, the company had no assets, tangible or intangible. The number of founder shares issued was determined based on the expectation that such founder shares would represent 20 % of the outstanding shares after our IPO. The founder shares will be worthless if we do not complete an initial business combination. In addition, our sponsor and the anchor investors purchased an aggregate of 11, 125, 000 private placement warrants, each exercisable to purchase one share of our Class A common stock at $ 11. 50 per share, for a purchase price of approximately $ 11, 125, 000, or $ 1. 00 per whole warrant, that will also be worthless if we do not complete a business combination. Among the private placement warrants, 8, 900, 000 private placement warrants were purchased by our sponsor and an aggregate of 2, 225, 000 private placement warrants were purchased by the anchor investors. Our initial stockholders have agreed (A) to vote any shares owned by them in favor of any proposed business combination and (B) not to redeem any founder shares in connection with a stockholder vote to approve a proposed initial business combination. In addition, we may obtain loans from our sponsor, affiliates of our sponsor or an officer or director, and we may pay our sponsor, officers, directors and any of their respective affiliates fees and expenses in connection with identifying, investigating and completing an initial business combination. Additionally, in the event that the anchor investors purchase units (either in our IPO or after) and vote them in favor of our initial business combination, it is possible that no votes from other public stockholders would be required to approve our initial business combination, depending on the number of shares that are present at the meeting to approve such transaction. As a result of the founder shares and private placement warrants that our anchor investors may hold (directly or indirectly), they may have different interests with respect to a vote on an initial business combination than other public stockholders. The personal and financial interests of our executive officers and directors may influence their motivation in identifying and selecting a target business combination, completing an initial business combination and influencing the operation of the business following the initial business combination and may result in a misalignment of interests between the holders of our founder shares and our officers and directors, on the one hand~~ **and** ~~, and our public stockholders, on the other. In particular, because the founder shares were purchased at approximately $ 0. 004 per share, the holders of our founder shares (including members of our management team that directly or indirectly own founder shares) could make a substantial profit after our initial business combination even if our public stockholders lose money on their investment as a result of a decrease in the post- combination value of their shares of Class A common stock (after accounting for any adjustments in connection with an exchange or other transaction contemplated by the business combination). For example, a holder of 1, 000 founder shares would have paid approximately $ 4. 00 to obtain such shares. At the time of an initial business combination, such holder would be able to convert such founder shares into 1, 000 shares of our Class A common stock, and would receive the same consideration in connection with our initial business combination as a public stockholder for the same number of shares of our Class A common stock. If the value of the shares of our Class A common stock on a post- combination basis (after accounting for any adjustments in connection with an exchange or other transaction contemplated by the business combination) were to decrease to $ 5. 00 per share of our Class A common stock, the holder of our founder shares would obtain a profit of approximately $ 4, 996 on account of the 1, 000 founder shares that the holder had converted into shares of Class A common stock in connection with the initial business combination. By contrast, a public stockholder holding 1, 000 shares of Class A common stock would lose approximately $ 5, 000 in connection with the same transaction. 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 were to be included by a target business as a condition to any agreement with respect to our initial business combination. Our management may not be able to maintain control of a target business after our initial business combination. Upon the loss of control of a target business, new management may not possess the skills, qualifications or abilities necessary to profitably operate such business. We may structure our initial business combination so that the post- transaction company in which our public stockholders own shares will own less than 100 % of the equity interests or assets of a target business, but we~~

~~will only complete such 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 us not to be required to register as an investment company under the Investment Company Act. We will not consider any transaction that does not meet such criteria. Even if the post- transaction company owns 50 % or more of the voting securities of the target, our stockholders prior to our initial business combination may collectively own a minority interest in the post business combination company, depending on valuations ascribed to the target and us in the business combination. For example, we could pursue a transaction in which we issue a substantial number of new shares of our Class A common stock in exchange for all of the outstanding capital stock, shares or other equity interests of a target. In this case, we would acquire a 100 % interest in the target. However, as a result of the issuance of a substantial number of new shares of our Class A common stock, our stockholders immediately prior to such transaction could own less than a majority of our issued and outstanding Class A common stock subsequent to such transaction. In addition, other minority stockholders may subsequently combine their holdings resulting in a single person or group obtaining a larger share of the company' s shares than we initially acquired. Accordingly, this may make it more likely that our management~~ will not be able to ~~maintain control of the target business. Risks Relating to Our Securities If we were deemed to~~ **take action by written consent for any matter; ● a forum selection clause, which means certain litigation against us can only** be **brought in Delaware; ●** ~~an investment company for purposes of~~ the ~~Investment Company Act~~ **authorization of undesignated preferred stock** , ~~we~~ **the terms of which** may be **established** ~~forced to abandon our efforts to consummate an~~ **and shares of** ~~initial business combination and instead be required to liquidate. To avoid that result, on December 14, 2023, we liquidated the securities held in the trust account and instead hold all funds in a segregated, interest- bearing bank demand deposit account. Such deposit account carries a variable interest rate, and we cannot assure you that the initial rate will not decrease or increase significantly. As a result, we will likely receive reduced interest income, on the funds held in the trust account,~~ which ~~would reduce the dollar amount that XPDB Public Stockholders would receive upon any redemption or liquidation of the Company. On March 30, 2022, the SEC issued the SPAC Rule Proposals, relating, among other things, to circumstances surrounding SPACs, for example, XPDB potentially being subject to the Investment Company Act and the regulations thereunder. The SPAC Rule Proposals provide a safe harbor for such companies from the definition of " investment company " under Section 3 (a) (1) (A) of the Investment Company Act, provided that a SPAC satisfies certain criteria. To comply with the duration limitation of the proposed safe harbor, a SPAC would have a limited time period to announce and complete a de- SPAC transaction. Specifically, to comply with the safe harbor, the SPAC Rule Proposals would require a SPAC to file a report on Form 8- K announcing that it has entered into an agreement with a target company for an initial business combination no later than 18 months after the effective date of the registration statement relating to the SPAC' s initial public offering. Such SPAC would then be required to complete its initial business combination no later than 24 months after the effective date of the registration statement relating to its initial public offering. There is currently uncertainty concerning the applicability of the Investment Company Act to a SPAC, including a company like ours, that has entered into a definitive agreement within 18 months after the effective date of the registration statement relating to its initial public offering, but does not consummate its initial business combination within 24 months after such date. It is possible that a claim could be made that we have been operating as an unregistered investment company. If we were deemed to be an investment company for purposes of the Investment Company Act, we might be forced to abandon efforts to consummate an initial business combination and instead be required to liquidate. If we are required to liquidate, our investors would not be able to realize the benefits of owning shares in a successor operating business, including the potential appreciation in the value of our shares and warrants following such a transaction, and our warrants would expire worthless. Initially, the funds in the trust account were, since our IPO, held only 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 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. However, to mitigate the risk of being deemed to have been operating as an unregistered investment company (including under the subjective test of Section 3 (a) (1) (A) of the Investment Company Act), on December 14, 2023, we instructed the trustee with respect to the trust account to liquidate the U. S. government securities or money market funds held in the trust account and thereafter to maintain all funds in the trust account in a segregated, interest- bearing demand deposit account at a national bank until the earlier of consummation of an initial business combination or liquidation. Interest on such demand deposit account is currently expected to yield approximately 4. 5 % per annum, but such demand deposit account carries a variable rate and we cannot assure investors that such rate will not decrease or increase significantly. As a result, we are receiving and will likely receive reduced interest income on the funds held in the trust account, which would reduce the dollar amount stockholders would receive upon any redemption or liquidation. Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect our business, including our ability to negotiate and complete our initial business combination and results of operations. We are subject to laws and regulations enacted by national, regional and local governments. In particular, we are required to comply with certain SEC and other legal requirements. Compliance with, and monitoring of, applicable laws and regulations~~ may be ~~difficult~~ **issued without further action by our stockholders; and ● advance notice procedures** , ~~time consuming~~ **which apply for stockholders to nominate candidates for election as directors or to bring matters before** ~~and~~ **an** ~~costly~~ **annual meeting of stockholders** . ~~Those~~ **These** ~~laws~~ **provisions, alone or together, could delay or prevent hostile takeovers** and ~~regulations and their interpretation and application may~~ **changes in control or changes in our management. As a Delaware corporation, we are** also **subject** ~~change from time~~ to **provisions** ~~time and those changes could have a material adverse effect on our business, investments and results~~ of **Delaware** ~~operations. In addition, a failure to comply with applicable laws~~ **law** ~~or regulations~~ , **including Section 203 of the DGCL, which prevents interested stockholders, such** as ~~interpreted and applied, could have a material adverse effect on our business, including our ability to negotiate and complete our initial business combination, and results of operations. On January 24, 2024, the SEC adopted new rules relating to, among other items,~~

~~enhancing disclosures in business combination transactions involving SPACs and private operating companies and increasing the potential liability of~~ certain **stockholders holding more than 15** ~~participants in proposed business combination transactions. These rules may materially increase the costs and time required to negotiate and complete an initial business combination and could potentially impair our ability to complete an initial business combination. On August 16, 2022, the Inflation Reduction Act of 2022 (the " IR Act ") was signed into federal law. The IR Act provides for, among other things, a new U. S. federal 1~~ % ~~excise tax on certain repurchases (including redemptions)~~ of ~~shares by publicly traded U. S. domestic corporations and certain U. S. domestic subsidiaries of publicly traded foreign corporations occurring on or~~ **our outstanding** ~~after January 1, 2023. The excise tax is imposed on the repurchasing corporation itself, not its shareholders from which shares are repurchased, and thus could cause a reduction in the value of our Class A~~ common stock ~~. The amount of the excise tax is generally 1 % of the fair market value of the shares repurchased at the time of the repurchase. However~~ , **from engaging in** ~~for purposes of calculating the excise tax, repurchasing corporations are permitted to net the fair market value of~~ certain ~~new shares issuances against the fair market value of shares repurchases during the same taxable year. In addition, certain exceptions apply to the excise tax. The U. S. Department of the Treasury (the " Treasury ") has been given authority to provide regulations and other guidance to carry out and prevent the abuse or avoidance of the excise tax. Any share redemption or other share repurchase that occurs after December 31, 2022, in connection with a~~ business ~~combination~~ **combinations unless** ~~, the exercise of a redemption right, the liquidation of our company, or otherwise, may be subject to the excise tax. Whether and to what extent we would be subject to the excise tax in connection with a business combination, the exercise of a redemption right, the liquidation of our company, or otherwise will depend on a number of factors, including~~ (i) **prior to** the **time such stockholder became** ~~fair market value of the redemptions and~~ - **an interested stockholder,** ~~repurchases in connection with~~ the ~~business combination or otherwise~~ **board of directors approved the transaction that resulted in such stockholder becoming an interested stockholder** , (ii) ~~the structure~~ **upon consummation** of ~~a business combination~~ **the transaction that resulted in such stockholder becoming an interested stockholder** , **the interested stockholder owned at least 85 % of the common stock, or** (iii) **following board approval, such** ~~the nature and amount of any " PIPE " or other equity issuances in connection with a~~ business combination **receives** ~~(or otherwise issued not in connection with a business combination but issued within the same taxable year of a business combination) and (iv) the content of regulations and other~~ -- **the** ~~guidance from the Treasury. In addition, because the excise tax would be payable by us and not by the redeeming holder, the mechanics of any required payment of the excise tax have not been determined. The foregoing could cause a reduction in the cash available on hand to complete a business combination and in our ability to complete a business combination. Further, the application of the excise tax in the event of a liquidation is uncertain. If we seek stockholder~~ approval of **the holders of at least** ~~our initial business combination and we do not conduct redemptions pursuant to~~ **two - thirds of** ~~the tender offer rules, and if you or~~ **our outstanding** ~~a " group " of stockholders are deemed to hold in excess of 15 % of our Class A~~ common stock **not held by** ~~, you will lose the ability to redeem all~~ such **interested stockholder at an annual or special meeting of stockholders. Any provision of our Charter, our Bylaws or Delaware law that has the effect of delaying, preventing or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their** shares ~~in excess~~ of ~~15 % of~~ our ~~Class A~~ common stock ~~. If we seek stockholder approval of our initial business combination~~ and **could also affect** ~~we do not conduct redemptions in connection with our initial business combination pursuant to~~ the ~~tender offer rules,~~ **price that some investors are willing to pay for** our **common stock. Our Charter** ~~amended and restated certificate of incorporation~~ provides that ~~a public stockholder, together with any affiliate of such stockholder or any other~~ -- **the** ~~person with whom such stockholder~~ **Court of Chancery of the State of Delaware** 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~~ **the fullest extent permitted by applicable law, the sole** ~~an~~ **and** ~~aggregate of 15 % of the shares sold in~~ **exclusive forum for substantially all disputes between us and** our **stockholders** ~~IPO without our prior consent (the " excess shares "). However~~ , ~~we~~ **which** ~~would~~ **could limit** ~~not be restricting~~ our stockholders' ability ~~to vote all of their shares (including excess shares) for or against our initial business combination. Your inability to redeem the excess shares will reduce your influence over our ability to complete our initial business combination and you could suffer a material loss on your investment in us if you sell excess shares in open market transactions. Additionally, you will not receive redemption distributions with respect to the excess shares if we complete our initial business combination. As a result, you will continue to hold that number of shares exceeding 15 % and, in order to dispose of such shares, would be required to sell your shares in open market transactions, potentially at a loss. The Nasdaq may delist our securities from trading on its exchange, which could limit investors' ability to make transactions in our securities and subject us to additional trading restrictions. Our units, Class A common stock and warrants are currently listed on the Nasdaq under the symbol " XPDBU ", " XPDB " and " XPDBW ", respectively. Although we expect to continue to meet, on a pro forma basis, the minimum initial listing standards set forth in the Nasdaq listing standards, we cannot assure you that our securities will continue to be listed on the Nasdaq in the future or prior to our initial business combination. In order to continue listing our securities on the Nasdaq prior to our initial business combination, we must maintain certain financial, distribution and share price levels. Generally, we must maintain a minimum stockholders' equity (generally $ 2, 000, 000) and a minimum number of holders of our securities (generally 300 public holders). Additionally, our units will not be traded after completion of our initial business combination and, in connection with our initial business combination, we will be required to demonstrate compliance with the Nasdaq initial listing requirements, which are more rigorous than the Nasdaq continued listing requirements, in order to continue to maintain the listing of our securities on the Nasdaq. For instance, our share price would generally be required to be at least $ 4. 00 per share and our stockholders' equity would generally be required to be at least $ 5. 0 million and we would be required to have a minimum of 300 round lot holders of our securities, with at least 50 % of such round lot holders holding securities with a market value of at least $ 2, 500. We cannot assure you that we will be able to meet those initial listing requirements at that time. If the Nasdaq delists any of our securities from trading on its exchange and we are not able to list our securities on another national~~

securities exchange, we expect our securities could be quoted on an over- the- counter market. If this were to occur, we could face significant material adverse consequences, including: ● a limited availability of market quotations for our securities; ● reduced liquidity for our securities; ● a determination that our Class A common stock are a " penny stock " which will require brokers trading in our Class A common stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities; ● a limited amount of news and analyst coverage; and ● a decreased ability to issue additional securities or obtain additional financing in the future. The National Securities Markets Improvement Act of 1996, which is a federal statute, prevents or preempts the states from regulating the sale of certain securities, which are referred to as " covered securities. " Because our units, Class A common stock and public warrants are listed on the Nasdaq, our units, Class A common stock and public warrants qualify as covered securities under the statute. Although the states are preempted from regulating the sale of our securities, the federal statute does allow the states to investigate companies if there is a suspicion of fraud, and, if there is a finding of fraudulent activity, then the states can regulate or bar the sale of covered securities in a particular case. While we are not aware of a state having used these powers to prohibit or restrict the sale of securities issued by blank check companies, other than the State of Idaho, certain state securities regulators view blank check companies unfavorably and might use these powers, or threaten to use these powers, to hinder the sale of securities of blank check companies in their states. Further, if we were no longer listed on the Nasdaq, our securities would not qualify as covered securities under the statute, and we would be subject to regulation in each state in which we offer our securities. We may issue additional shares of our Class A common stock or preferred stock to complete our initial business combination or under an employee incentive plan after completion of our initial business combination. We may also issue shares of our Class A common stock upon the conversion of the founder shares at a ratio greater than one- to- one at the time of our initial business combination as a result of the anti- dilution provisions contained in our amended and restated certificate of incorporation. Any such issuances would dilute the interest of our stockholders and likely present other risks. Our amended and restated certificate of incorporation authorizes the issuance of up to 500, 000, 000 shares of our Class A common stock, par value $ 0. 0001 per share, 50, 000, 000 shares of our Class B common stock, par value $ 0. 0001 per share, and 1, 000, 000 shares of preferred stock, par value $ 0. 0001 per share. There are 489, 391, 282 and 42, 812, 500 authorized but unissued shares of our Class A common stock and Class B common stock, respectively, available for issuance which amount does not take into account shares reserved for issuance upon exercise of outstanding warrants or shares issuable upon conversion of the Class B common stock, if any. The Class B common stock is automatically convertible into Class A common stock at the time of our initial business combination as described herein and in our amended and restated certificate of incorporation. There are currently no shares of preferred stock issued and outstanding. We may issue a substantial number of additional shares of our Class A common stock or shares of preferred stock to complete our initial business combination or under an employee incentive plan after completion of our initial business combination. We may also issue Class A common stock to redeem the warrants upon conversion of the Class B common stock at a ratio greater than one- to- one at the time of our initial business combination as a result of the anti- dilution provisions contained in our amended and restated certificate of incorporation. However, our amended and restated certificate of incorporation provides, among other things, that prior to or in connection with our initial business combination, we may not issue additional shares that would entitle the holders thereof to (i) receive funds from the Trust Account or (ii) vote on any initial business combination or on any other proposal presented to stockholders prior to or in connection with the completion of an initial business combination. 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. The issuance of additional shares of common stock or shares of preferred stock: ● may significantly dilute the equity interest of our investors; ● may subordinate the rights of holders of our Class A common stock if shares of preferred stock are issued with rights senior to those afforded our Class A common stock; ● could cause a change in control if a substantial number of shares of our Class A common stock are issued, which may affect, among other things, our ability to use our net operating loss carry forwards, if any, and could result in the resignation or removal of our present officers and directors; ● may adversely affect prevailing market prices for our units, Class A common stock and / or public warrants; and ● will not result in adjustment to the exercise price of our warrants. You will not be permitted to exercise your warrants unless we register and qualify the issuance of the underlying Class A common stock or certain other exemptions are available. If the issuance of the Class A common stock upon the exercise of the warrants is not registered, qualified or exempt from registration or qualification under the Securities Act and applicable state securities laws, warrant holders will not be entitled to exercise such warrants and such warrants may have no value and expire worthless. We do not plan on keeping a prospectus current until required pursuant to the warrant agreements. Under the terms of the warrant agreements, we have agreed to use our commercially reasonable efforts to file a registration statement under the Securities Act covering such shares and maintain a current prospectus relating to the Class A common stock issuable upon exercise of the warrants until the expiration of the warrants in accordance with the provisions of the warrant agreements. We cannot assure you that we will be able to do so if, for example, any facts or events arise which represent a fundamental change in the information set forth in the registration statement or prospectus, the financial statements contained or incorporated by reference therein are not current or correct or the SEC issues a stop order. If the shares of our Class A common stock issuable upon exercise of the warrants are not registered under the Securities Act, we will be required to permit holders to exercise their warrants on a cashless basis, in which case the number of shares of our Class A common stock that you will receive upon cashless exercise will be equal to the quotient obtained by dividing (x) the product of (a) the number of shares of our Class A common stock underlying the warrants and (b) the excess of the " fair market value " over the exercise price of the warrants by (y) such fair market value. The " fair market value " shall mean the average last reported sale price of the shares of our Class A common stock for the 10 trading days ending on the trading day prior to the date on which the notice of exercise is received by the warrant agent. However, no such warrant will be exercisable for cash or on a cashless basis, and we will not be obligated to issue any shares to holders seeking to exercise their warrants, unless the issuance of the shares upon such exercise is registered

~~or qualified under the securities laws of the state of the exercising holder, unless an exemption from state registration is available. Notwithstanding the above, if the shares of our Class A common stock are at the time of any exercise of a warrant not listed on a national securities exchange such that it satisfies the definition of a " covered security " under Section 18 (b) (1) of the Securities Act, we may, at our option, require holders of public warrants who exercise their public warrants to do so on a cashless basis in accordance with Section 3 (a) (9) of the Securities Act and, in the event we so elect, we will not be required to file or maintain in effect a registration statement, but we will be required to use our commercially reasonable efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available. In no event will we be required to net cash settle any warrant, or issue securities or other compensation in exchange for the warrants in the event that we are unable to register or qualify the shares underlying the warrants under the Securities Act or applicable state securities laws and there is no exemption available. If the issuance of the shares upon exercise of the warrants is not so registered or qualified or exempt from registration or qualification, the holder of such warrant will not be entitled to exercise such warrant and such warrant may have no value and expire worthless. In such event, holders who acquired their warrants as part of a purchase of units will have paid the full unit purchase price solely for the shares of our Class A common stock included in the units. There may be a circumstance where an exemption from registration exists for holders of our private placement warrants to exercise their warrants while a corresponding exemption does not exist for holders of the warrants included as part of units sold in our IPO. In such an instance, our sponsor and its permitted transferees (which may include our directors and executive officers) would be able to sell the common stock underlying their warrants while holders of our public warrants would not be able to exercise their warrants and sell the underlying common stock. There may be a circumstance where an exemption from registration exists for holders of our private placement warrants to exercise their warrants while a corresponding exemption does not exist for holders of the warrants included as part of units sold in our IPO. In such an instance, our sponsor and its permitted transferees (which may include our directors and executive officers) would be able to sell the shares of common stock underlying their warrants while holders of our public warrants would not be able to exercise their warrants and sell the underlying shares of common stock. If and when the warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws. Our public warrant agreement designates the courts of the State of New York or the United States District Court for the Southern District of New York as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by holders of our public warrants, which could limit the ability of warrant holders~~ to obtain a favorable judicial forum for disputes with **us** ~~our~~ **or** ~~company~~ **our directors, officers, or employees** . Our **Charter** ~~public warrant agreement~~ provides that, ~~subject~~ **unless we consent in writing** to **the selection of an alternative forum, the (a) Court of Chancery (the " Chancery Court ") of the State of Delaware (or, in the event that the Chancery Court does not have jurisdiction, the federal district court for the District of Delaware or other state courts of the State of Delaware) is, to the fullest extent permitted by** applicable law, **the sole and exclusive forum for:** (i) any **derivative** action, **suit or** proceeding ~~or claim against us arising out of or relating in any way to the public warrant agreement, including under the Securities Act, will be~~ brought **on** ~~and enforced in the courts of the State of New York or~~ **our behalf;** ~~the United States District Court for the Southern District of New York, and~~ (ii) ~~that we irrevocably~~ **any action,** ~~submit~~ -- **suit** ~~to such jurisdiction~~ **or proceeding asserting a claim of breach of fiduciary duty owed by any of our directors** , ~~which jurisdiction~~ **officers, or stockholders to us or to our stockholders; (iii) any action, suit or proceeding asserting a claim arising pursuant to the DGCL, our Charter or our Bylaws; or (iv) any action, suit or proceeding asserting a claim governed by the internal affairs doctrine; and (b) subject to the foregoing, the federal district courts of the United States of America** shall be the exclusive forum for **the resolution of** any **complaint asserting a cause of action arising under the Securities Act. Notwithstanding the foregoing,** such ~~action, proceeding or claim. We will waive any objection to such exclusive jurisdiction and that such courts represent an inconvenient~~ forum **selection** . ~~Notwithstanding the foregoing, these~~ provisions **shall** ~~of the public warrant agreements will~~ not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal ~~district~~ courts of the United States **have** ~~of America are the sole and~~ exclusive ~~forum. Any person or entity purchasing or otherwise acquiring any interest in any of our public warrants shall be deemed to have notice of and to have consented to the forum provisions in our public warrant agreement. If any action, the subject matter of which is within the scope of the forum provisions of the public warrant agreement, is filed in a court other than a court of the State of New York or the United States District Court for the Southern District of New York (a " foreign action ") in the name of any holder of our public warrants, such holder shall be deemed to have consented to: (x) the personal~~ jurisdiction ~~of the state and federal courts located in the State of New York in connection with any action brought in any such court to enforce the forum provisions (an " enforcement action "), and (y) having service of process made upon such warrant holder in any such enforcement action by service upon such warrant holder' s counsel in the foreign action as agent for such warrant holder~~ . ~~This~~ **The** choice ~~–~~of ~~–~~forum provision may limit a **stockholder** ~~warrant holder~~ ' s ability to bring a claim in a judicial forum that it finds favorable for disputes with **us** ~~our~~ **or** ~~company~~ **our directors, officers, or other employees** , which may discourage such lawsuits ~~. Warrant holders who are unable to bring~~ **against us and our directors, officers, and** ~~their~~ **other employees. Alternatively, if a** ~~claims in the judicial forum of their choosing may be required to incur additional costs in pursuit of actions which are subject to our~~ **court were to find the** choice ~~–~~of ~~–~~forum provision **contained in** ~~. Alternatively, if a court~~ -- **our** ~~were~~ **Charter** to **be** ~~find this provision of our public warrant agreement~~ inapplicable or unenforceable **in an** ~~with respect to one or more of the specified types of actions~~ - **action** ~~or proceedings~~ , we may incur additional costs associated with resolving such ~~matters~~ **action** in other jurisdictions, which could **harm** ~~materially and adversely affect~~ our business, **results of operations, and** financial condition ~~and results~~ **. Additionally, Section 22** of ~~operations and result in a diversion of~~ the ~~time~~ **Securities Act creates concurrent jurisdiction for federal** and ~~resources of~~ **state courts over all suits brought to enforce any duty** ~~our~~ - **or** ~~management~~ **liability created by the Securities Act or the rules** and ~~Board~~ **regulations thereunder** . ~~We may redeem~~ **As noted above,** ~~your~~ - **our Charter and our Bylaws will provide**

unexpired public warrants prior to their exercise at a time that **the federal district courts of the United States of America shall** is disadvantageous to you, thereby making your public warrants worthless. We have **jurisdiction over** the ability to redeem the outstanding public warrants at any **action arising** time after they become exercisable and prior to their expiration, at a price of $ 0. 01 per warrant, if, among other things, the last reported sale price of the Class A common stock has been at least $ 18. 00 per share for any 20 trading days within a 30 trading day period ending three business days before we send the notice of redemption to the warrant holders (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a warrant). If and when the public warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under **the** all applicable state securities **Securities** laws **Act** . **Accordingly** Redemption of the outstanding public warrants as described above could force you to (i) exercise your public warrants and pay the exercise price therefor at a time when it may be disadvantageous for you to do so , (ii) sell your public warrants at the then- current market price when you might otherwise wish to hold your public warrants or (iii) accept the nominal redemption price which, at the time the outstanding public warrants are called for redemption, we expect would be substantially less than the market value of your public warrants. None of the private placement warrants will be redeemable by us so long as they are held by our sponsor, the anchor investors or their respective permitted transferees. Our warrants and founder shares may have an adverse effect on the market price of the shares of our Class A common stock and make it more difficult to effectuate our initial business combination. We issued public warrants to purchase 14, 375, 000 shares of our Class A common stock as part of the units offered in our IPO and, simultaneously with the closing of the IPO, we issued in a private placement an aggregate of 11, 125, 000 private placement warrants, each exercisable to purchase one share of our Class A common stock at $ 11. 50 per share. Our sponsor currently owns an aggregate of 7, 097, 500 founder shares and our independent directors own 90, 000 founder shares. The founder shares are convertible into Class A common stock on a one- for- one basis, subject to adjustment as set forth herein. In addition, if our sponsor makes any working capital loans, up to $ 1, 500, 000 of such loans may be converted into warrants, at the price of $ 1. 00 per warrant at the option of the lender. Such warrants would be identical to the private placement warrants, including as to exercise price, exercisability and exercise period. To the extent we issue Class A common stock for any reason, including to effectuate a business combination, the potential for the issuance of a substantial number of additional shares of our Class A common stock upon exercise of these warrants and conversion rights could make us a less attractive acquisition vehicle to a target business. Such warrants when exercised will increase the number of issued and outstanding shares of our Class A common stock and reduce the value of the Class A common stock issued to complete the business transaction. Therefore, our warrants and founder shares may make it more difficult to effectuate a business transaction or increase the cost of acquiring the target business. Because each unit sold in our IPO contains one- half of one public warrant and only a whole warrant may be exercised, the units may be worth less than units of other blank check companies. Each unit sold in our IPO contains one- half of one public warrant. Pursuant to the public warrant agreement, no fractional warrants will be issued upon separation of the units, and only whole units will trade. If, upon exercise of the public warrants, a holder would be entitled to receive a fractional interest in a share, we will, upon exercise, round down to the nearest whole number the number of shares of our Class A common stock to be issued to the warrant holder. This is different from other offerings similar to ours whose units include one share of common stock and one warrant to purchase one share of common stock. We have established the components of the units in this way in order to reduce the dilutive effect of the warrants upon completion of a business combination since the warrants will be exercisable in the aggregate for one- half of the number of shares compared to units that each contain a whole warrant to purchase one share, thus making us, we believe, a more attractive merger partner for target businesses. Nevertheless, this unit structure may cause our units to be worth less than if it included a public warrant to purchase one whole share. Our ability to require holders of our public warrants to exercise such public warrants on a cashless basis after we call the public warrants for redemption or if there is **uncertainty as** no effective registration statement covering the Class A common stock issuable upon exercise of these public warrants will cause holders to **whether a** receive fewer shares of our **court** Class A common stock upon their exercise of the public warrants than they would **enforce** have received had they been able to exercise their public warrants for cash. If our shares of Class A common stock are at the time of any exercise of a warrant not listed on a national securities exchange such **provision** that our shares of Class A common stock satisfy the definition of a " covered security " under Section 18 (b) (1) of the Securities Act, we may, at our option, require holders of public warrants who exercise their public warrants to do so on a cashless basis in accordance with Section 3 (a) (9) of the Securities Act and, in the event we elect to do so, we will not be required to file or maintain in effect a registration statement, but we will use our commercially reasonable efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available. " Cashless exercise " means each holder would pay the exercise price by surrendering warrants in exchange for a number of shares of our Class A common stock equal to the quotient obtained by dividing (x) the product of (a) the number of shares of our Class A common stock underlying the warrants and (b) the excess of the " fair market value " over the exercise price of the warrants by (y) such fair market value. The " fair market value " shall mean the average last reported sale price of the shares of our Class A common stock for the 10 trading days ending on the trading day prior to the date on which the notice of exercise is received by the warrant agent. In addition, if a post- effective amendment or a new registration statement covering the Class A common stock issuable upon exercise of the warrants is not effective within a specified period following the completion of our initial business transaction, warrant holders may, until such time as there is an effective registration statement and during any period when we shall have failed to maintain an effective registration statement, exercise warrants on a cashless basis. For purposes of calculating the number of shares issuable upon such cashless exercise, the " fair market value " of warrants shall be calculated using the volume weighted average sale price of the Class A common stock for the 10 trading days ending on the trading day prior to the date on which notice of exercise is received by the warrant agent. If we choose to require holders to exercise their warrants on a cashless basis, which we may do at our sole discretion, or if holders elect to do so when there is no effective registration statement, the number of shares of our

Class A common stock received by a holder upon exercise will be fewer than it would have been had such holder exercised his or her warrant for cash. For example, if the holder is exercising 875 public warrants at $ 11. 50 per share through a cashless exercise when the Class A common stock have a " fair market value " of $ 17. 50 per share when there is no effective registration statement, then upon the cashless exercise, the holder will receive 300 shares of our Class A common stock. The holder would have received 875 shares of our Class A common stock if the exercise price was paid in cash. This will have the effect of reducing the potential " upside " of the holder' s investment in our company because the warrant holder will hold a smaller number of shares of our Class A common stock upon a cashless exercise of the warrants they hold. The warrants may become exercisable and redeemable for a security other than the Class A common stock, and you will not have any information regarding such other security at this time. In certain situations, including if we are not the surviving entity in our initial business combination, the warrants may become exercisable for a security other than the Class A common stock. As a result, if the surviving company redeems your warrants for securities pursuant to the public warrant agreement, you may receive a security in a company of which you do not have information at this time. Pursuant to the warrant agreements, the surviving company will be required to use commercially reasonable efforts to register the issuance of the security underlying the warrants within 20 business days of the closing of an initial business combination. We may amend the terms of the public warrants in a manner that may be adverse to holders of public warrants with the approval by the holders of at least 50 % of the then- outstanding public warrants. As a result, the exercise price of your warrants could be increased, the exercise period could be shortened and the number of our Class A common stock purchasable upon exercise of a warrant could be decreased, all without your approval. Our public warrants were in registered form under a public warrant agreement between Continental Stock Transfer & Trust Company, as warrant agent, and us. The public warrant agreement provides that the terms of the public warrants may be amended without the consent of any holder for the purpose of (i) curing any ambiguity or correcting any mistake, including to conform the provisions of the warrant agreements to the description of the terms of the warrants and the warrant agreement set forth in our IPO prospectus, or defective provision, (ii) amending the provisions relating to cash dividends on common stock as contemplated by and in accordance with the warrant agreement, or (iii) adding or changing any provisions with respect to matters or questions arising under the warrant agreement as the parties to the warrant agreement may deem necessary or desirable and that the parties deem to not adversely affect the rights of the registered holders of the warrants in any material respect. All other modifications or amendments shall require the vote or written consent of the holders of at least 50 % of the then- outstanding public warrants. Accordingly, we may amend the terms of the public warrants in a manner adverse to a holder if holders of at least 50 % of the then- outstanding public warrants approve of such amendment. Although our ability to amend the terms of the public warrants with the consent of at least 50 % of the then- outstanding public warrants is unlimited, examples of such amendments could be amendments to, among other things, increase the exercise price of the warrants, convert the warrants into cash, shorten the exercise period or decrease the number of Class A common stock purchasable upon exercise of a warrant. Provisions in our amended and restated certificate of incorporation and Delaware law may inhibit a takeover of us, which could limit the price investors might be willing to pay in the future for shares of our Class A common stock and could entrench management. Our amended and restated certificate of incorporation contains provisions that may discourage unsolicited takeover proposals that stockholders may consider to be in their best interests. These provisions include a classified board of directors, the ability of the Board to designate the terms of and issue new series of preferred stock, advance notice provisions for any stockholder proposals or director nominations, and the fact that prior to the completion of our initial business combination only holders of shares of our Class B common stock, which have been issued to our sponsor, are entitled to vote on the appointment of our directors, which may make more difficult the removal of management and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities. We are also subject to anti- takeover provisions under Delaware law, which could delay or prevent a change of control. Together these provisions may make the removal of management more difficult and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities. Provisions in our amended and restated certificate of incorporation and Delaware law may have the effect of discouraging lawsuits against our directors and officers. Our amended and restated certificate of incorporation requires, unless we consent in writing to the selection of an alternative forum, that (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee to us or our stockholders, (iii) any action asserting a claim against us, our directors, officers or employees arising pursuant to any provision of the DGCL or our amended and restated certificate of incorporation or amended and restated bylaws, or (iv) any action asserting a claim against us, our directors, officers or employees governed by the internal affairs doctrine may be brought only in the Court of Chancery in the State of Delaware, except any claim (A) as to which the Court of Chancery of the State of Delaware determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within ten days following such determination), (B) which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery, or (C) for which the Court of Chancery does not have subject matter jurisdiction. If an action is brought outside of Delaware, the stockholder bringing the suit will be deemed to have consented to service of process on such stockholder' s counsel. Although we believe this provision benefits us by providing increased consistency in the application of Delaware law in the types of lawsuits to which it applies, a court may determine that this provision is unenforceable, and to the extent it is enforceable, the provision may have the effect of discouraging lawsuits against our directors and officers, although our stockholders will not be deemed to have waived our compliance with **the** federal securities laws and the rules and regulations thereunder. Notwithstanding the foregoing, our amended and restated certificate of incorporation provides that the exclusive forum provision will not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. Although

we believe this provision benefits us by providing increased consistency in the application of Delaware law in the types of lawsuits to which it applies, the provision may have the effect of discouraging lawsuits against our directors and officers. Additionally, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act against us or any of our directors, officers, other employees or agents. However, there is uncertainty as to whether a court would enforce the exclusive forum provisions relating to causes of actions arising under the Securities Act. Whether a redemption of Class A common stock will be treated as a sale of such Class A common stock for U. S. federal income tax purposes will depend on a stockholder' s specific facts. The U. S. federal income tax treatment of a redemption of Class A common stock will depend on whether the redemption qualifies as a sale of such Class A common stock under Section 302 (a) of the Internal Revenue Code of 1986, as amended (the " Code "), which will depend largely on the total number of shares of our stock treated as held by the stockholder electing to redeem Class A common stock (including any shares of stock constructively owned by the holder as a result of owning private placement warrants or public warrants or otherwise) relative to all of the shares of our stock outstanding both before and after the redemption. If such redemption is not treated as a sale of Class A common stock for U. S. federal income tax purposes, the redemption will instead be treated as a corporate distribution of cash from us. General Risks Cyber incidents or attacks directed at us could result in information theft, data corruption, operational disruption and / or financial loss. We depend on digital technologies, including information systems, infrastructure and cloud applications and services, including those of third parties with which we may deal. Sophisticated and deliberate attacks on, or security breaches in, our systems or infrastructure, or the systems or infrastructure of third parties or the cloud, could lead to corruption or misappropriation of our assets, proprietary information and sensitive or confidential data. As an early stage company without significant investments in data security protection, we may not be sufficiently protected against such occurrences. In addition, the recent invasion of Ukraine by Russia, and the impact of sanctions against Russia and the potential for retaliatory acts from Russia, could result in increased cyber- attacks against U. S. companies. We may not have sufficient resources to adequately protect against, or to investigate and remediate any vulnerability to, cyber incidents. It is possible that any of these occurrences, or a combination of them, could have adverse consequences on our business and lead to financial loss. We are an emerging growth company and a smaller reporting company within the meaning of the Securities Act, and if we take advantage of certain exemptions from disclosure requirements available to emerging growth companies or smaller reporting companies, this could make our securities less attractive to investors and may make it more difficult to compare our performance with other public companies . We are an " emerging growth company **.** " within the meaning of the Securities Act, **The reduced public company reporting requirements applicable to emerging growth companies may make our common stock less attractive to investors. We qualify** as modified by **an " emerging growth company, " as defined in** the JOBS Act , **. While we remain** and **an emerging growth company,** we may take advantage of certain **are permitted and plan to rely on** exemptions from various reporting **certain disclosure** requirements that are applicable to other public companies that are not emerging growth companies **. These provisions** including **include** , but not limited **: (1) presenting only** to **two years of audited financial statements** , **(2) presenting only two years of related selected financial data and " Management' s Discussion and Analysis of Financial Condition and Results of Operations " disclosure, (3) an exemption from compliance with the auditor attestation requirement in the assessment of our internal control over financial reporting pursuant to Section 404 of Sarbanes- Oxley, (4)** not being required to comply with **any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to** the auditor attestation requirements of Section 404 of **' s report providing additional information about** the Sarbanes- Oxley Act **audit and the financial statements** , **(5)** reduced disclosure obligations regarding executive compensation **arrangements** in our periodic reports **, registration statements,** and proxy statements, and **(6)** exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. As a result, our stockholders may **the information we provide will be different than the information that is available with respect to other public companies that are** not have access to certain information they may deem important. We could be an emerging growth company **companies** for up **. Additionally, management has elected to present** to **two** five years , although circumstances could cause us to lose that status earlier, including if the Market Value of **audited financial statements** our Class A common stock held by non- affiliates equals or exceeds $ 700. 0 million as of any June 30th before that time, in which case we would no longer be an **and selected financial data** emerging growth company as of the following December 31 . We cannot predict whether investors will find our securities **common stock** less attractive because **if** we will rely on these exemptions. If some investors find our securities **common stock** less attractive as a result of our reliance on these exemptions, the trading prices of our securities may be lower than they otherwise would be , there may be a less active trading market for our securities and the trading **common stock. The market** prices **price** of our securities **common stock** may be more volatile. 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 an election to opt out is irrevocable. We **will remain** have 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, we, as an emerging growth company **until** , can adopt the **earliest** new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of **:** our 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. Additionally, we are a " smaller

~~reporting company ” as defined in Item 10 (f)~~ (1) **December 31** ~~of Regulation S- K. Smaller reporting companies may take advantage of certain reduced disclosure obligations~~ , ~~including~~ **2026** , ~~among other things, providing only two years of audited financial statements. We will remain a smaller reporting company until the last day of the fiscal year in which (1) the market value of our common stock held by non- affiliates equals or exceeds $ 250 million as of the end of that fiscal year’ s second fiscal quarter, and~~ (2) **the first** ~~our annual revenues exceeded $ 100 million during such completed~~ fiscal year **after our annual gross revenue exceed $ 1. 235 billion, (3) the date on which we have, during the immediately preceding three- year period, issued more than $ 1. 0 billion in non- convertible debt securities,** and **(4) the end of any fiscal year in which** the market value of our common stock held by non- affiliates exceeds $ 700 **. 0** million as of the end **of the second quarter** of that fiscal year ~~’ s second fiscal quarter~~ . ~~To the extent we take advantage of such reduced disclosure obligations, it may also make comparison of our financial statements with other public companies difficult or impossible. We would be subject to a second level of U. S. federal income tax on a portion of our income if we are determined to be a personal holding company (a “ PHC ”) for U. S. federal income tax purposes. A U. S. corporation generally will be classified as a PHC for U. S. federal income tax purposes in a given taxable year if (i) at any time during the last half of such taxable year, five or fewer individuals (without regard to their citizenship or residency and including as individuals for this purpose certain entities such as certain tax- exempt organizations, pension funds and charitable trusts) own or are deemed to own (pursuant to certain constructive ownership rules) more than 50 % of the stock of the corporation by value and (ii) at least 60 % of the corporation’ s adjusted ordinary gross income, as determined for U. S. federal income tax purposes, for such taxable year consists of PHC income (which includes, among other things, dividends, interest, certain royalties, annuities and, under certain circumstances, rents). Depending on the date and size of our initial business combination, it is possible that at least 60 % of our adjusted ordinary gross income may consist of PHC income as discussed above. In addition, depending on the concentration of our stock in the hands of individuals, including the members of our sponsor and certain tax- exempt organizations, pension funds and charitable trusts, it is possible that more than 50 % of our stock may be owned or deemed owned (pursuant to the constructive ownership rules) by five or fewer individuals during the last half of a taxable year. Thus, no assurance can be given that we will not become a PHC in the future. If we are or were to become a PHC in a given taxable year, we would be subject to an additional PHC tax, currently 20 %, on our undistributed PHC income, which generally includes our taxable income, subject to certain adjustments. Since only holders of our founder shares will have the right to vote on the appointment of our directors, upon the listing of our shares on the Nasdaq, the Nasdaq may consider us to be a ‘ controlled company’ within the meaning of the Nasdaq rules and, as a result, we may qualify for exemptions from certain corporate governance requirements. After the completion of our IPO, only holders of our founder shares have the right to vote on the appointment of our directors. As a result, the Nasdaq may consider us to be a ‘ controlled company’ within the meaning of the Nasdaq corporate governance standards. Under the Nasdaq corporate governance standards, a company of which more than 50 % of the voting power is held by an individual, group or another company is a ‘ controlled company’ and may elect not to comply with certain corporate governance requirements, including the requirements that: ● we have a board of directors that includes a majority of ‘ independent directors,’ as defined under the rules of the Nasdaq; ● we have a compensation committee of our Board that is comprised entirely of independent directors with a written charter addressing the committee’ s purpose and responsibilities; and ● we have a nominating and corporate governance committee of our Board that is comprised entirely of independent directors with a written charter addressing the committee’ s purpose and responsibilities. We do not intend to utilize these exemptions and intend to comply with the corporate governance requirements of the Nasdaq, subject to applicable phase- in rules. However, if we determine in the future to utilize some or all of these exemptions, you will not have the same protections afforded to stockholders of companies that are subject to all of the Nasdaq corporate governance requirements. 55~~