Risk Factors Comparison 2024-04-01 to 2023-04-03 Form: 10-K

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We are an early- stage company ~~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 Annual Report, before making~~ a **history** ~~decision to invest in our units. 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~~ **losses** ~~all or part of your investment~~ . ~~Risks Related to Our Business and Strategy~~ We **have not been profitable historically and** may not be able to **achieve profitability in the future. ● We have generated limited revenue from product sales and may never be profitable. ● If the Acclaim CI contains design or manufacturing defects, our business and financial results could be harmed. ● We expect that we will need to raise substantial additional funding, which may not be available on acceptable terms, or at all. Failure to obtain funding on acceptable terms and on a timely basis may require us to curtail, delay or discontinue our product development efforts or other operations. ● Raising additional capital would cause dilution to our existing stockholders and may adversely affect the rights of existing stockholders. ● Failure of a key information technology system, process or site could have an adverse** effect ~~the Proposed~~ **on our** ~~Business~~ **business** ~~Combination with Envoy~~ **. ● We have identified material weaknesses in our internal control over financial reporting** . If we are unable to ~~do so~~ **remediate these material weaknesses** , **or if** we **identify additional material weaknesses in** ~~will incur substantial costs associated with withdrawing from~~ the ~~transaction,~~ **future or otherwise fail to maintain** ~~and~~ **an effective system of internal control over financial reporting, we** may not be able to ~~find additional sources~~ **accurately or timely report our financial condition or results** of **operations, which may adversely affect investor confidence in us and the value of our stock. ● Our financial statements contain an explanatory paragraph regarding substantial doubt about our ability to continue as a going concern, which could prevent us from obtaining new** financing **on reasonable terms or at all. ● Clinical failure can occur at any stage of clinical development. Our clinical experience** to **date does not necessarily predict future results and may not have revealed certain potential limitations of the technology or potential complications from the Acclaim CI and may require further clinical validation. Any product version we advance through clinical trials may not have favorable results in later clinical trials or receive regulatory approval. ● The successful commercialization of the Acclaim CI, if it receives FDA approval, will depend in part on the extent to which governmental authorities and health insurers establish** ~~cover~~ **coverage , adequate reimbursement levels and favorable pricing policies. Failure to obtain or maintain coverage and adequate reimbursement for our product candidates could limit our ability to market** those **products and decrease our ability to generate revenue. ● We operate in a very competitive business environment, and if we are unable to compete successfully against our existing or potential competitors, our business, financial condition and results of operations may be adversely affected. ● We expect to derive most of our revenues from sales of the Acclaim CI. Our inability to successfully commercialize this product candidate, or any subsequent decline in demand for this product candidate, could severely harm our ability to generate revenues. ● If healthcare professionals do not recommend the Acclaim CI to their patients, the Acclaim CI may not achieve market acceptance and we may not become profitable. ● We will be dependent upon contract manufacturing organizations and material suppliers, making us vulnerable to supply shortages and problems, increased** costs **and quality or compliance issues, any of which could harm our business. ● Our business plan relies on certain assumptions about the market for our product; however, the size and expected growth of our addressable market has not been established with precision and may be smaller than we estimate, and even if the addressable market is as large as we estimate, we may not be able to capture market share. ● We depend on third parties to manage our pre- clinical studies and clinical trials, perform related data collection and analysis, and to enroll patients for our clinical trials, and, as a result, we may face costs and delays that are beyond our control. ● We are highly dependent on key members of our executive management team. Our inability to retain these individuals could impede our business plan and growth strategies, which could have a negative impact on our business and the value of your investment. ● The market price of our Class A Common Stock and Public Warrants has been and may continue to be extremely volatile, which could cause purchasers of our securities to incur substantial losses. ● While we will pay dividends on shares of Series A Preferred Stock pursuant to the Certificate of Designation, we do not intend to pay dividends on shares of Class A Common Stock for the foreseeable future. ● We have been and in the future may become a defendant in one or more stockholder derivative, class- action and other litigation, and any such lawsuits may adversely affect our business, financial condition, results of operations and cash flows. PART I ITEM 1. Business Overview We are a hearing health company focused on providing innovative medical technologies across the hearing loss spectrum. Our technologies are designed to shift the paradigm within the hearing industry and bring both providers and patients the hearing devices they desire. We are dedicated to pushing beyond the status quo to provide patients with improved access, usability, independence, and quality of life. We were founded in 1995 to create a fully implanted hearing device that leveraged the natural ear- not an artificial microphone- to pick up sound. The ear itself is an ideal way to capture sound from our environment. To leverage the natural ear' s benefits, an implanted sensor was created to pick up incoming sound energy from the ossicular chain (i. e., the three tiny hearing bones that connect the eardrum to the cochlea). The sensor absorbs the mechanical energy from ossicular chain and turns it into a signal that can be processed, improved, and increased for a patient' s particular hearing needs. Our first product, the Esteem Fully Implanted Active Middle Ear Implant (" Esteem FI- AMEI "), was created in 2006 and received FDA approval in 2010.**

The Esteem FI- AMEI remains the only FDA approved fully implanted active hearing device on the market. The Esteem FI- AMEI failed to gain commercial traction, primarily because the Centers for Medicaid and Medicare Services classified it as a hearing aid and therefore not eligible for coverage. At an average total price (i. e., device and surgery) of over $ 25, 000, very few individuals were willing or able to pay out- of- pocket for the Esteem FI- AMEI. We believe hearing aid classification is improper for the Esteem FI- AMEI and we continue to work towards having the Esteem FI- AMEI properly classified as a Fully Implanted Active Middle Ear Implant. Despite the commercial challenges of the Esteem FI- AMEI, roughly 1, 000 devices were implanted globally. Some devices were implanted in the early 2000s during clinical trials, providing us with nearly two decades of experience with its implantable sensor technology. Throughout our experience, our sensor technology proved a viable alternative and robust option to external or implanted microphones . In ~~connection with~~ **late 2015, we made** the ~~Proposed~~ **decision to shift our focus from the Esteem FI- AMEI to a new product that would leverage the proven sensor technology and incorporate it into a cochlear implant. As a result, we have developed the investigational fully implanted Acclaim CI and the possibility to disrupt a cochlear implant market that we believe to be a large opportunity currently dominated by complacent incumbents.** Business Combination **On the Closing Date, we completed the Business Combination pursuant to the Business Combination Agreement between Anzu and Legacy Envoy. As contemplated by the Business Combination Agreement, on the Closing Date the following occurred: (a) each share of Legacy Envoy Preferred Stock issued and outstanding immediately prior to the Effective Time was converted into shares of Legacy Envoy Common Stock; (b) each share of Merger Sub Common Stock issued and outstanding immediately prior to the Effective Time was converted into and exchanged for one share of Legacy Envoy Common Stock; (c) each outstanding option to purchase shares of Legacy Envoy Common Stock outstanding as of immediately prior to the Effective Time was cancelled in exchange for nominal consideration; (d) each outstanding warrant to purchase shares of Legacy Envoy Common Stock outstanding as of immediately prior to the Effective Time automatically, depending on the applicable exercise price, was cancelled or exercised on a net exercise basis and converted into shares of Legacy Envoy Common Stock in accordance** with **its terms; (e) each outstanding Legacy** Envoy **convertible promissory note was automatically converted into shares of Legacy Envoy Common Stock in accordance with its terms; (f) each share of Legacy Envoy Common Stock issued and outstanding immediately prior the Effective Time was cancelled and converted into the right to receive a number of shares of our Class A Common Stock equal to the Exchange Ratio; (g) the Sponsor forfeited 5** , **510, 000 shares of Anzu Class B Common Stock and all 12, 500, 000 private warrants pursuant to the Sponsor Support Agreement; (h) the Sponsor exchanged 2, 500, 000 shares of Anzu Class B Common Stock for 2, 500, 000 shares of our Series A Preferred Stock; (i) an aggregate of 2, 615, 000 shares of Anzu Class B Common Stock held by the Sponsor and Anzu' s former independent directors automatically converted into our Class A Common Stock; (j) the Sponsor transferred an aggregate of 490, 000 shares of our Class A Common Stock to the Legacy Forward Purchasers and the Extension Support Parties pursuant to the Side Letter Agreements and Extension Support Agreements, respectively; and (k) the Company issued an aggregate of 8, 512 shares of Class A Common Stock to the Meteora FPA Parties pursuant to the Forward Purchase Agreement. As of the open of trading on October 2, 2023, the Class A Common Stock and Public Warrants of the Company, formerly those of Anzu, began trading on Nasdaq as " COCH " and " COCHW, " respectively. The disclosure in this section gives effect to the Business Combination and includes the operations of Legacy Envoy prior to the Business Combination. Our Product Cochlear Implants- Fully Implanted vs. Partially Implanted The cochlea converts vibrations from the ossicular chain into nerve signals that are transmitted through the auditory nerve for processing by the brain. Cochlear implants use electronic signals to stimulate the auditory nerve. Partially implanted cochlear implants have two main components: a large external component that sits on or behind the patient' s ear and a surgically implanted internal component. The external component contains a microphone, sound processer, and batteries. A magnetic coil on the external component lines up with an internal magnetic coil in the internal component. The signal from the external component is transferred to the internal coil where it is delivered to the electrode array, which is implanted in the cochlea, to electrically stimulate the cochlea. The Acclaim CI is fully implanted and does not have the need for any external component to be worn on the ear. Unlike partially implanted devices, the fully implanted Acclaim CI uses the ear to capture sound via a piezoelectric sensor that is implanted in the middle ear. The sound processor and power source are also implanted. CAUTION: Investigational Device – Limited by Federal Law to Investigational Use. Acclaim CI- A Breakthrough Device The fully implanted Acclaim CI received the Breakthrough Device Designation from the U. S. Food and Drug Administration (FDA) in 2019. However, the process of medical device development is inherently uncertain and there is no guarantee that this designation will accelerate the timeline for approval or make it more likely that the Acclaim CI will be approved. Moderate to profound hearing loss is currently an irreversible and debilitating human condition. Significant hearing loss is correlated with increased anxiety, depression, social isolation, falls, and other costly health issues. An article published in the journal Acta Otorhinolaryngol Italica in June 2016 suggests that untreated or undertreated moderate to profound hearing loss correlates with earlier loss of cognitive function and poorer cardiovascular health. 2 While some solutions for hearing loss already exist (e. g., hearing aids, traditional cochlear implants) these have inherent limitations in being fully or partially external, which limit patients in initial time to adoption, hours of use during the day (inherent compliance restrictions), lifestyle, and quality of life. We believe that the Acclaim CI will be able to offer hearing benefit over the patient' s baseline condition and may also offer other important advantages over alternative hearing loss treatments, such as: ● Increased daily usage. We believe that the fully implanted nature of the Acclaim CI will facilitate an increase in daily usage over other types of cochlear implants because the device can be used 24- hours a day. ● Hearing at night. Unlike other types of available cochlear implants, the Acclaim CI can be used at night. This capability will support audibility of alarms, sirens, telephones, and other people for an added sense of security while they**

sleep. ● Hearing in and around water. Patients using the Acclaim CI will not need to worry about removing their device when showering, at the beach, or swimming laps. They will also not need to worry about damaging the device if caught in the rain. ● Hearing in active situations. A patient using the Acclaim CI will not need to worry about the external processor falling off during exercise or other physical activities. The patient will not need to preemptively remove the device prior to engaging in these types of activities, thus retaining audibility of the surrounding environment. 2Source: Fortunato S, et al.; A Review of New Insights on the Association Between Hearing Loss and Cognitive Decline in Ageing; Acta Otorhinolaryngologica Italica (Jun 2016), finding that increasing evidence has linked age related hearing loss to more rapid progression of cognitive decline and incidental dementia and that many aspects of daily living of elderly people have been associated to hearing abilities, showing that hearing loss affects the quality of life, social relationships, motor skills, psychological aspects and function and morphology in specific brain areas. ● Lowered battery maintenance. Other cochlear implants require near- daily battery replacement or battery charging. In addition to the logistical hassle of worrying about keeping the batteries charged, this can be challenging for patients who have issues with dexterity or neuropathy, as the batteries and components are small and can be hard to handle. The Acclaim CI is designed with a battery contained within the implanted system components intended to be charged wirelessly through the skin. The Acclaim CI battery is expected to last for several days between charges and will not require the patient to use or handle small components like current cochlear implant systems do. ● No need for backup or secondary processors. Many patients who have partially implanted cochlear implants with external hardware desire or need a backup processor. The backup processor provides the patient with a sense of security because they know if their primary processor is lost or damaged, they will be left without hearing for a period of time while they wait for a replacement. In addition, lost or damaged components can be expensive to replace, with the cost of replacement often not covered by insurance. The Acclaim CI processor is implanted and therefore not susceptible to damage, discomfort or issues associated with moisture, germs, dirt, or other external causes of loss or physical damage due to having an externally worn processor. ● No interference with equipment designed for non- hearing impaired. The externally worn components of currently available cochlear implants can make wearing equipment or accessories difficult for existing cochlear implant patients. For example, wearing helmets, hats, headphones, stethoscopes, or other accessories can interfere with the placement of the external components and cause " coil offs " or prevent the patient from using the device altogether. ● Earlier adoption of cochlear implant technology from reduced stigma. For many potential users of hearing instruments like hearing aids and cochlear implants, the perception of stigma associated with those technologies can prevent or delay the adoption of the technology. We believe that the Acclaim CI, with no externally worn components, may help reduce or perhaps even eliminate such stigma. We believe we can increase penetration rates for adult cochlear implants in the U. S. ● Potential to significantly reduce overall costs while improving net healthcare outcomes. We believe a fully implanted cochlear implant should reduce cochlear implant costs over time by eliminating costly external components that are frequently replaced at the expense of the patient, the insurer, Medicare, or other third- party payor. There is also reason to believe that increasing compliance and use of cochlear implants, reducing time to adoption for candidates, and increasing safety and security by providing the ability for true all- day hearing may improve the net healthcare outcome for society over time. The Acclaim CI is implanted by a surgeon through a procedure that we believe will average around two and a half to three hours under general anesthesia. We expect that patients will experience mild to moderate discomfort after the procedure and benefit from several days of rest after surgery. A four- week waiting period is required before the Acclaim CI can be activated to allow the middle ear to heal and fluid from surgery to dissipate. It is expected that the Acclaim CI battery pack will be replaced every 8- 12 years via a less invasive surgical procedure that only replaces the Acclaim CI battery pack in the pectoral region (i. e., the whole system does not need to be replaced, just the Acclaim CI battery pack). All of the competitive advantages referred to above require that the Acclaim CI obtain FDA approval in its current form and substantially on our planned timeline. If FDA approval is materially delayed for any reason, it is possible that competitors will offer products with similar features before we are able to market the Acclaim CI. Market Overview Overview of Hearing Loss According to the National Center for Health Statistics, hearing loss impacts about 15 % of the adult population in the United States. 3 Among older adults, nearly 25 % of people aged 65 to 74 have disabling hearing loss, and 50 % of those aged 75 and older have disabling hearing loss, according to the National Institute on Deafness and Other Communications Disorders. 4 Organizations such as the Centers for Disease Control and Prevention (CDC) and the World Health Organization (WHO) have recognized significant hearing loss as one of the most common disabilities impacting people around the world. 5 The WHO estimates economic impact of untreated or undertreated hearing loss is approximately $ 750 billion each year. 6 In common parlance, the terms " hearing loss, " " hard of hearing, " or " deafness " are often used to describe a variety of types, levels, and causes of hearing loss that are treated differently clinically. The hearing loss market can be classified based on causes and severity of hearing loss. There are three main types of hearing loss: sensorineural, conductive, and mixed. Sensorineural hearing loss is due to problems of the inner ear and is often caused by damage to " hearing hair cells " in the cochlea. Common causes include normal aging, excessive noise exposure, viral infections, and exposure to drugs that are toxic to the hearing system. According to data published in the Journal of the American Medical Association, sensorineural hearing loss is the most common form of hearing loss, representing approximately 90 % of all hearing loss. 7 Conductive hearing loss is due to mechanical or structural problems with a part of the hearing system, generally a result of congenital issues with or damage to the ear canal, ear drum, or ossicular chain. Common causes include malformation of a particular part of the hearing system, middle ear infection, perforation of the eardrum, wax buildup, or dislocation of the ossicles. Conductive hearing loss represents approximately 10 % of all hearing loss, according to data published in the Journal of the American Medical Association. 8 Finally, mixed hearing

loss has some combination of both sensorineural and conductive components. In addition to the three main types of hearing loss, there are generally five levels of hearing loss severity: normal, mild, moderate, severe, and profound. Normal hearing is often defined as 0- 20 decibels (dB) of hearing loss and even with a slight loss most people do not notice any impact. Mild hearing loss is often defined as 20- 40 dB of hearing loss with some people reporting difficulty hearing soft spoken people. Most people with mild hearing loss do not address their hearing loss. As hearing loss progresses, the impact on the individual becomes more noticeable. Moderate hearing loss is often defined as 40- 70 dB of hearing loss and begins to show up with people reporting the ability to " hear but not understand " speech. More words are missed in conversations, and it is harder to hear in certain environments. Severe hearing loss is often defined as 70- 90 dB of hearing loss. People with severe hearing loss are unable to hear most speech and miss large portions of conversations without assistance. People with severe hearing loss may find that even with hearing aids they are not getting enough benefit to hear and understand most of the words in a conversation. Profound hearing loss is often defined as 90 dB or more of hearing loss. People with profound hearing loss cannot hear speech or loud sounds such as sirens or horns. Most people who are considered clinically " deaf " would have severe to profound hearing loss. 3Source: National Health Interview Survey; Center For Disease Control And Prevention: National Center For Health Statistics (2022), finding that as of 2022 15. 5 % of US adults reported some level of difficulty hearing. 4Source: Quick Statistics About Hearing; National Institute Of Health; National Institute On Deafness And Other Communications Disorders (https: / / www. nidcd. nih. gov / health / statistics / quick- statistics- hearing), summarizing statistics on hearing loss, including that 25 % of people aged 65 to 74 have disabling hearing loss, and 50 % of those aged 75 and older have disabling hearing loss. 5Source: Preventing Noise- Induced Hearing Loss; Center For Disease Control And Prevention (2022); and Deafness and Hearing Loss, World Health Organization (2023), each providing an overview of the prevalence of hearing loss. 6Source: Global Costs of Unaddressed Hearing Loss and Cost- Effectiveness of Intervention; World Health Organization (2017), providing an overview of the global costs of hearing loss, including components of cost and the monetary values attributable to such elements as costs typically incurred by health- care systems and patients, respectively, and reaching the conclusion that the cost of untreated or undertreated hearing loss is approximately $ 750 billion each year. 7Source: Yueh B, et al.; Screening and Management of Adult Hearing Loss in Primary Care: Scientific Review; Journal Of The American Medical Association (2003), providing an epidemiology of types of hearing loss and identifying sensorineural hearing loss as the cause of 90 % of hearing loss. 8Source: Yueh B, et al.; Screening and Management of Adult Hearing Loss in Primary Care: Scientific Review; Journal Of The American Medical Association (2003), providing an epidemiology of hearing loss, including the allocation of hearing loss between sensorineural hearing loss and other types. Overview of Hearing Devices There are several different types of hearing devices to address hearing loss. It is common for hearing loss to progress – continue to get worse – over the course of an individual' s life, so it is possible that a patient may have one or more hearing devices during the course of their lives. Personal Sound Amplification Devices (PSAPs) are small electronic devices used to make sounds louder but with little sophistication. They are limited in ability and are only suitable for normal to mild hearing loss. Hearing aids are the most common form of hearing device. These are small sound- amplifying devices that come in a variety of shapes and sizes. They are always external and pick up sound through a microphone and amplify the sound through a speaker in the ear canal. There are over- the- counter hearing aids (no prescription required) designed to treat mild to moderate hearing loss and prescription hearing aids designed to treat more significant hearing loss. Hearing aids can be used for all types of hearing loss and are typically the first device a person with hearing loss will try. Active middle ear implants are implanted fully or partially in the middle ear (i. e., where the three ossicles or hearing bones are located). They are typically designed to treat moderate to severe sensorineural hearing loss, but some also can address a certain level of mixed hearing loss. Middle ear implants use mechanical energy to directly drive the cochlea with mechanical energy. Middle ear implants are not common due to the lack of reimbursement coverage throughout the world. The Esteem FI- AMEI is the only fully implanted active middle ear device currently with FDA approval and commercially available in the United States. Cochlear implants are electrical hearing devices. They deliver electrical stimulation to the cochlea via an electrode array. The electrical stimulation is picked up by the hearing nerve and patients are able to perceive sound. Traditionally, all cochlear implants were partially implanted with an external component. We believe the fully implanted Acclaim CI will be the first- of- a- kind cochlear implant with no external component worn on the ear or required for daily hearing and that leverages the ear to pick up sound (i. e., versus a microphone). Auditory osseointegrated implants (bone conduction implants) are used for conductive or certain types of mixed hearing loss. They are not used for sensorineural hearing loss. They address a patient' s conductive hearing loss by transferring sound information through the patient' s skull via vibration. Acclaim CI' s Market Opportunity The Acclaim CI is designed to address severe to profound sensorineural hearing loss that is not adequately addressed by hearing aids. We anticipate that the Acclaim CI will only be indicated for adults who have been deemed adequate candidates by a qualified physician. We believe there is a significant population of adults in the United States who are cochlear implant candidates but choose not to get the therapy because of the external component required for daily hearing. We believe this is one of the main reasons why industry sources, such as a 2018 paper published in the journal Trends in Hearing, and our own market research estimate 5- 8 % penetration rate for cochlear implants in the adult population. 9 9Sources: Holder JT, et al., Current Profile of Adults Presenting for Preoperative Cochlear Implant Evaluation; Trends In Hearing (2018), providing an analysis of implantation rates of cochlear implants among adults receiving preoperative screening, including a determination that " the market penetration for cochlear implantation was just 7. 7 % in the adult population of individuals with severe- to- profound sensory hearing loss. " We have also commissioned market research by S2N Health, which analyzed available literature and estimates from other market participants to reach the 5- 8 % penetration rate, based in part on an

expansion of candidacy criteria since the publication of the Holder article. As an example of the effect of changing candidacy criteria, Nassiri AM, et al., determined penetration rates to be 12. 1 % based on the prior more restrictive criteria and 2. 1 % based on the current, broader criteria. Current Estimates of Cochlear Implant Utilization in the United States, Otol Neurotol (June 2022). Based on published literature and industry sources (prior to candidacy expansion for cochlear implant candidates), including the American Journal of Public Health, we believe there are approximately 6. 6 million Americans age 12 or older with severe to profound hearing loss in at least one ear. 10 Incorporating estimates for clinical indications (including limited benefit from hearing aids), we believe there are approximately 2. 8 million adults in the United States who could qualify for a cochlear implant. Based on an assumed selling price in the United States for a traditional cochlear implant of $ 30, 000 (a $ 5, 000 premium over the average sale price of current partially- implanted devices), we believe the adult cochlear implant market in the United States alone represents a potential market opportunity of over $ 80 billion. Based on the published literature and industry sources previously referenced, we believe there will be roughly 25, 000- 30, 000 adults implanted with a cochlear implant in the United States every year by 2026. Based on an assumed selling price of $ 30, 000, that is an annual market opportunity that exceeds $ 750 million for just the United States adult population. In addition, many estimates from published literature and industry sources were made prior to changing candidacy within the cochlear implant market. Two major shifts in clinical candidacy have likely increased the market sizes: (a) the Centers for Medicare & Medicaid Services (" CMS ") has expanded coverage from 40 % word recognition scores to 60 % word recognition scores and (b) there is more acceptance of treating single sided deafness with a cochlear implant. While these numbers represent the entire adult cochlear implant market in the United States, we believe that if we are able to establish distribution channels and strategic relationships with clinics and healthcare professionals the Acclaim CI will be in a unique position to capture existing market share quickly and to also capture a healthy portion of the unserved market- those who are not pursuing a cochlear implant because of the external components. Moreover, it is reasonable to believe that Acclaim CI will demand a higher average selling price than existing partially implanted cochlear implants. We also believe there are substantial total market and annual market opportunities outside the United States. Currently, our analysis estimates that approximately 50 % of the hearing device market is international. Given the greater number of hearing loss patients outside the United States, we also believe the international market is currently significantly underserved and offers significant opportunity for expansion if we are able to obtain the necessary regulatory approvals and expand our international distribution capabilities. However, we will be unable to expand into international markets if we are unable to obtain these regulatory approvals. Market Competition There are currently three major cochlear implant manufacturers- Cochlear Ltd., Advanced Bionics (Sonova), and Med- El. Oticon Medical (Demant) was set to become the fourth global cochlear implant player, but Cochlear Ltd has agreed in principle to purchase the cochlear implant business portion of Oticon Medical from Demant. There are a few other minor regional players, such as Nurotron in China, which appears to be focused on developing countries. Cochlear Ltd. (ASX: COH) is the leading cochlear implant device manufacturer with approximately 60 % of global market share and a market capitalization of approximately $ 13 billion (US Dollars) as of December 31, 2023. In comparison to Envoy Medical, the three current primary providers of cochlear implants have a greater penetration into the hearing loss treatment market, which has allowed them to develop relationships with audiologists, otolaryngologists (ENT physicians), hearing loss centers, and the other physicians on whom providers rely for referrals. The current providers also have existing relationships with patients who have used their devices. In addition, current providers also have substantially greater financial and operational resources, which may give them an advantage in capitalizing on new technology and responding to other changes to the marketplace. 10Source: Goman, AM and Frank RL, Prevalence of Hearing Loss by Severity in the United States, AMERICAN JOURNAL OF PUBLIC HEALTH (Oct 2016), estimating that 6. 6 million (2. 5 %) of Americans aged 12 years or older have severe to profound hearing loss in at least one ear, with three quarters of these individuals being older than 60 years. We do not plan to market the Acclaim CI to patients under age 18. If we are able to obtain regulatory approval of the Acclaim CI, we believe physicians and patients will be receptive to its competitive advantage as a fully implanted cochlear implant. However, based on our lack of history in the market, we will need to make material investments in patient advertising, provider education and training, distribution capabilities, and physician strategic relationships to capitalize on such advantages and gain market share. We will be unable to begin investing in these areas until we obtain FDA approval. Market Trends The first documented cochlear implant was completed in 1961. The initial devices were crude single electrode cochlear implants with the intended purpose of giving some basic environmental and situational awareness to adults with profound hearing loss. A few years later, multi- channel devices were introduced. Over time, multi- channel devices evolved more quickly and allowed for more robust processing and mapping strategies. By the 1980s, cochlear implants were an accepted standard of care for adults with profound hearing loss with the multi- channel devices becoming the preferred design by most healthcare professionals. The next two to three decades focused on the evolution of multi- channel electrodes and creating new sound processing and electrode mapping techniques to focus on speech understanding. As a result, most cochlear implant patients can understand speech quite well with the appropriate follow- up and speech therapy. Candidacy was expanded to include children and people with different levels or types of hearing loss. Over the last few years, the trends of the cochlear implant industry have mirrored that of the hearing aid industry, with less emphasis on hardware design and more placed on appearance and usability. The physical form and function have not changed significantly, although new sound processing strategies have been implemented to improve patient outcomes. While product reliability has gradually improved, clinical efficacy seems to have plateaued. To increase market share, manufacturers have focused on making cochlear implants more visibly appealing (e. g., slightly smaller external components, color " kits " for the external components), user friendly (e. g., connectivity),

environmentally robust (e. g., water resistance), and more reliable (e. g., fewer recalls). We believe that the trend over the next decade will be a continuation of the focus on usability, connectivity, lifestyle, and miniaturization. As cochlear implants become more accepted as a therapy for individuals with moderate to profound sensorineural hearing loss, manufacturers will pay attention to ways of making patients interested in their device over a similarly performing competing device. Another major trend within the industry is a loosening of the clinical candidacy requirements. In addition to people with " better " hearing levels being considered for cochlear implants (e. g., people with moderate hearing in the lower frequencies) there has also been a movement to implant people with " single sided deafness " (" SSD "). Both Med El (in 2019) and Cochlear (in 2021) achieved FDA approval for treatment of those with SSD and asymmetric hearing loss. As a result, more patients are eligible for cochlear implants than ever before. Finally, industry participants have made material investments to inform more adult candidates about cochlear implants to increase usage. Currently, industry sources, including a 2018 paper published in the journal Trends in Hearing, 11 and our own market research estimate that less than 10 % of adults who meet the indications for cochlear implant candidacy are implanted, leaving more than 90 % of the current adult market as untapped potential for new technologies. However, we will require FDA approval for the Acclaim CI and significant investment in our training and distribution network before we can access such market. Reimbursement Strategy Cochlear implants enjoy a fully developed reimbursement pathway. Cochlear implants have been deemed a coverable benefit by CMS and enjoy an existing National Coverage Determination (" NCD "). In the United States, many private and public payors cover at least one cochlear implant per adult. There is existing coding, coverage, and payment for cochlear implants. 11Source: Holder JT, et al., Current Profile of Adults Presenting for Preoperative Cochlear Implant Evaluation; TRENDS IN HEARING (2018). Unlike the Esteem FI- AMEI, which was classified as a hearing aid by CMS and therefore statutorily excluded from being a coverable benefit under Medicare and Medicaid, the Acclaim CI is expected to be eligible for Medicare and Medicaid coverage as a cochlear implant. As mentioned above, the Acclaim CI received Breakthrough Device Designation. There are potential reimbursement- related benefits to the designation (i. e., the ability to receive higher reimbursements than are received by incumbent devices); however, the implementation of these benefits has not been finalized by Congress and CMS and there is no guarantee that Breakthrough Device Designation will offer any benefit with respect to reimbursement. Timeline to Commercialization of Acclaim CI In the United States, before we can market a new Class III medical device, which the Acclaim CI is, we must first receive FDA approval via the premarket application (" PMA ") approval process. We currently anticipate obtaining FDA approval in 2026, although the process of obtaining FDA approval is uncertain, and we may not obtain approval on that timeline or at all. A large component of our PMA will be a successful pivotal clinical study of approximately 50 to 60 patients. The pivotal clinical study will have several safety and efficacy endpoints. Study design, including the clinical protocol, have not been finalized and are pending discussions with the FDA. In order to start a pivotal clinical study, we will need to obtain an Investigational Device Designation (" IDE ") from the FDA. The submission for an IDE is a large collection of a significant amount of information required by the rule and regulations governing Class III medical devices. We submitted our IDE for approval in Q1 of 2024 with approval anticipated by end of Q2 2024 or beginning of Q3 2024. However, FDA approval of the IDE is not guaranteed and each step of the process may take longer than we have **planned** ~~incurred substantial costs researching, planning and negotiating the transaction~~. ~~These costs include~~ **If FDA approval is delayed** , ~~but are not limited~~ **we will be unable** to **move forward with expansion of our corporate infrastructure** , **development of distribution capabilities, and implementation of product technical support and provider training, and the** costs associated with ~~securing~~ **delayed approval may limit the funds available for investment in these areas. Regulatory delays would also put us further behind our established competitors in the market and may allow additional competitors into the market with products that have competitive advantages over ours. Moreover, if FDA approval is delayed beyond our current plan or if delay is based on safety or efficacy concerns that require product redesign, we will be required to raise significant additional capital to continue our operations. We may be unable to raise these additional funds on favorable terms or at all, especially if approval is delayed based on device performance or other issues with the Acclaim CI. Because the Acclaim CI is currently our only product candidate that we believe can be commercialized, we would be unable to continue operations if it were determined that we could not obtain FDA approval for the Acclaim CI. Early Feasibility Study Part of applying for a pivotal clinical study IDE is informing the FDA of any preclinical or clinical work that has been done. The Acclaim CI has undergone extensive benchtop and laboratory testing throughout the design and development process. Animal testing was done to demonstrate the reliability of the Acclaim CI' s rechargeable battery and charging safety algorithm. In the third quarter of 2022, we received an IDE to undergo a small Early Feasibility Study (" EFS ") at Mayo Clinic in Rochester, Minnesota. The principal investigator is Dr. Colin Driscoll, a respected veteran in the global cochlear implant industry. There were three patients enrolled, implanted, and activated in the fourth quarter of 2022. The purpose of this early feasibility study was to demonstrate that the Acclaim CI is capable of operating as it was designed. In other words, there are no safety or efficacy endpoints. The study is essentially designed to elicit patient and professional feedback regarding their experience using the device and inform any necessary design changes prior to beginning the pivotal clinical study. We believe that the initial results of the EFS were primarily promising. A few design shortcomings have been identified and will be addressed. The primary concern is a signal to noise issue in which a component of the Acclaim CI is introducing an unintended noise into the signal path, creating an artifact that subjects identify as a gurgling or sizzling background noise. Mitigation and resolution strategies are ongoing. We believe we have identified some of the** sources of **the unintended noise and strategies to mitigate that noise. We will not know if we have identified all of the sources of the unintended noise until implanted into another patient with an improved device. We believe we may be able to correct the issue without material delay, but there remains the possibility that once one noise source is**

corrected another will be uncovered and the timelines may be extended in a material way. The patients use their devices daily, but if the noise issue cannot be resolved in a timely manner, one or more of the patients may stop using the device or elect to remove the implanted device. From the outset of the trial, all EFS subjects have achieved hearing percepts through activation of the implant stimulator and achieve unique pitch percepts on each electrode, typical of all other cochlear implant recipients. The patients use their devices daily. Two of the three patients choose to wear a hearing aid on top of their Acclaim CI. This combination helps to mitigate the noise and provide patients with a signal to noise ratio that allows them to use and enjoy the performance of the device. It was an unanticipated discovery during the EFS that a hearing aid on top of the Acclaim CI could provide patients with additional improvement. We are intrigued by the possibility of offering a fully implanted cochlear implant that could also allow for the use of a hearing aid or other ear accessory (e. g., ear buds) because the Acclaim CI leverages the ear to pick up sound. Go- To- Market Strategy Assuming PMA approval is received, our commercialization strategy will be quality over quantity to facilitate the Acclaim CI gaining a meaningful foothold in the marketplace without unnecessary complications stemming from attempting to grow too quickly. The surgical professionals believed to be best suited to implant the Acclaim CI are otologists and neurotologists (i. e., sub- specialties of otolaryngologists). This community is relatively small compared to other specialties, with only a few hundred active professionals in the United States. We anticipate carefully selecting roughly 30 sites to be trained and ready to implant upon commercialization. These 30 sites are expected to be spread throughout the country and focus on quality of surgical care and capacity to serve a sufficient number of qualified patients. Following the initial 30 sites, we intend to add an additional 30 sites every year until there are roughly 150 sites actively implanting the Acclaim CI. However, this strategy will require significant investments in the development of our management team, corporate infrastructure, and manufacturing capabilities, as well as expansion of our sales, distribution, and training network. We do not anticipate offering the Acclaim CI at every cochlear implant center in the country. The other key professional group is audiologists. Each surgical site will have its own audiology team familiar with cochlear implants. The audiology team is critical to the success of a surgical site' s performance. We will invest resources for in- person training, and technical and product support as well as virtual training, and technical and product support for audiologists servicing patients with our products. Outside of surgical sites, there is a subset of audiologists who traditionally work with patients currently using hearing aids. These audiologists will be instrumental in identifying and referring potential Acclaim CI patients to surgical sites. One of the largest barriers to more cochlear implant candidates becoming cochlear implant recipients is the lack of awareness and understanding by the audiologists of the technology and associated benefits available for their patients. We believe strong relationships can be built with both surgical teams and audiologists to ensure both are able to understand the options and benefits of the technology and differentiate themselves from the marketplace by offering and working with the Acclaim CI. However, we will be unable to train, educate, and develop these relationships until we are able to obtain FDA approval for the Acclaim CI. Commercial Activities Outside of the United States We anticipate pursuing the Conformité Européenne mark (" CE Mark ") in the European Union shortly after FDA approval. The CE Mark will allow the Acclaim CI to be sold throughout the European Economic Area. We are currently focusing our resources on FDA approval and will address commercial activities outside of the United States when the FDA approval process is more advanced. Eventually, we anticipate pursuing other markets based on the potential size of the markets and availability of reimbursement, such as Australia, Brazil, and parts of Asia, although no such approval is guaranteed, and approval may take longer and involve greater cost than we currently anticipate. Product Evolution and Next Generation Products The focus of research and development over the next several years will be to improve upon the existing product design of the Acclaim CI to aid the process of obtaining FDA approval. Quality and reliability will be a primary focus of the team in the initial years of market release. We will also focus on the growing need for robust software and user interfaces for both the patient and the professional. It is possible that we will expand our portfolio to include a variety of cochlear electrode arrays similar to other cochlear implant companies. However, we do not anticipate expanding into as large of an electrode portfolio as some of our competitors as we are not convinced that a large electrode portfolio is efficient or effective. Esteem FI- AMEI- a potentially viable product with reimbursement The Esteem FI- AMEI is a unique technology that could serve a niche segment of the hearing market. FDA- approved since 2010, the Esteem FI- AMEI suffered from a lack of reimbursement due to categorization as a hearing aid. We believe that this categorization is inaccurate as, unlike a hearing aid which is essentially an externally worn microphone and speaker simply making sounds louder, the Esteem FI- AMEI is fully implanted and replaces the function of the middle ear. Although efforts to change that categorization have been unsuccessful to date, recently, a new bipartisan Congressional bill, titled the Hearing Device Coverage Clarification Act was introduced in February 2024. The bill seeks to clarify that fully implanted active middle ear hearing devices (FI- AMEIs) are prosthetics and not subject to the current Medicare hearing aid coverage exclusion. If the bill is successful clarifying that fully implanted active middle ear implants (FI- AMEIs) are eligible for coverage and then a change does happen to reimbursement policy for fully implanted active middle ear implants, the Esteem FI- AMEI is an existing FDA approved product ready to capitalize on such a change. Were the change in reimbursement policy to occur and we were to focus on marketing the Esteem FI- AMEI, it would benefit from upgrades to its power source and chip design. Such upgrades are not currently a priority of the organization as we view pursuing the commercialization of the Acclaim CI as the appropriate focus and best use of resources. Existing Esteem FI- AMEI patients and professionals who work with those patients will continue to be supported. It is not only important for the market to know we support our patients for life, but it is the right thing to do for the patients. New implantations of the Esteem FI- AMEI are not expected to be more than a few per year until, and if, the reimbursement policy changes. Absent a change in reimbursement policy, there only will be nominal revenue from replacement of sound processors for

existing patients who need a new battery. Intellectual Property We rely on a combination of patent, copyright, trademark and trade secret laws and confidentiality and invention assignment agreements to protect our intellectual property rights. As of February 29, 2024, we had rights to 30 issued U. S. patents, which are estimated to expire between 2025 and 2042 assuming all required fees are paid, 16 pending U. S. patent applications, 12 issued foreign patents and 28 pending foreign and international patent applications. Our patents cover, among other things, aspects of our current Acclaim CI system and future product concepts. Some of the pending foreign and international patent applications preserve an opportunity to pursue patent rights in multiple countries. Our pending patent applications may not result in issued patents, and we cannot assure you that any current or subsequently issued patents will protect our intellectual property rights or provide us with any competitive advantage. While there is no active litigation involving any of our patents or other intellectual property rights and we have not received any notices of patent infringement, we may be required to enforce or defend our intellectual property rights against third parties in the future. See Item 1A. Risk Factors- Risks Relating to our Intellectual Property for additional information regarding these and other risks related to our intellectual property portfolio and their potential effect on us. Material Patents Our material patents, their jurisdiction, patent number, and expiration date are listed in the tables below: Jurisdiction Patent No. Expiration Date Title U. S. 7297101 01 / 17 / 2026 Method and apparatus for minimally invasive placement of sensing and driver assemblies to improve hearing loss U. S. 9782600 05 / 17 / 2033 Self- regulating transcutaneous energy transfer U. S. 7524278 08 / 15 / 2025 Hearing aid system and transducer with hermetically sealed housing U. S. 9497555 01 / 30 / 2035 Implantable middle ear transducer having improved frequency response U. S. 10129660 10 / 27 / 2028 Implantable middle ear transducer having improved frequency response U. S. 9036824 12 / 30 / 2033 Transducer impedance measurement for hearing aid U. S. 9521493 05 / 03 / 2032 Transducer impedance measurement for hearing aid U. S. 9682226 12 / 06 / 2033 Electronic lead connection and related devices U. S. 10549090 10 / 20 / 2037 Communication system and methods for fully implantable modular cochlear implant system U. S. 10646709 04 / 09 / 2038 Fully implantable modular cochlear implant system U. S. 10569079 09 / 04 / 2037 Communication system and methods for fully implantable modular cochlear implant system U. S. 10743812 03 / 25 / 2035 Implantable middle ear diagnostic transducer U. S. 11260220 02 / 28 / 2040 Implantable cochlear system with integrated components and lead characterization U. S. 11266831 06 / 13 / 2040 Implantable cochlear system with integrated components and lead characterization U. S. 9525949 03 / 16 / 2034 Implantable middle ear transducer having diagnostic detection sensor U. S. 11051116 10 / 11 / 2032 Implantable middle ear transducer having diagnostic detection sensor U. S. 11471689 04 / 14 / 2041 Cochlear implant stimulation calibration U. S. 11564046 07 / 17 / 2041 Programming of cochlear implant accessories U. S. 9313590 03 / 13 / 2033 Hearing aid amplifier having feed forward bias control based on signal amplitude and frequency for reduced power consumption U. S. 9635478 03 / 09 / 2034 Coulomb counter and battery management for hearing aid U. S. 11672970 02 / 21 / 2040 Implantable cochlear system with integrated components and lead characterization U. S. 11697019 12 / 02 / 2040 Combination hearing aid and cochlear implant system U. S. 11711658 10 / 11 / 2032 Implantable middle ear transducer having diagnostic detection sensor EP 3500337 08 / 17 / 2037 Implantable modular cochlear implant system with communication system and network DE 602017036854 08 / 17 / 2037 Implantable modular cochlear implant system with communication system and network DK 3500337 08 / 17 / 2037 Implantable modular cochlear implant system with communication system and network AT 1381751 08 / 17 / 2037 Implantable modular cochlear implant system with communication system and network EP 3927420 2 / 21 / 2040 Implantable cochlear system with integrated components and lead characterization DE 602020024229 2 / 21 / 2040 Implantable cochlear system with integrated components and lead characterization U. S. 11633591 8 / 3 / 2041 Combination implant system with removable earplug sensor and implanted battery U. S. 11806531 4 / 11 / 2041 Implantable cochlear system with inner ear sensor U. S. 11839765 1 / 23 / 2042 Cochlear implant system with integrated signal analysis functionality U. S. 11865339 6 / 22 / 2042 Cochlear implant system with electrode impedance diagnostics Trademarks As of December 31, 2023, we had trademark registrations, covering “ Acclaim ”, “ Envoy ”, “ Envoy Medical ”, “ EnvoyCEM ”, “ Esteem ”, “ Invisible Hearing ”, and “ MEDCEM. ” Our U. S. trademarks have registration dates between 2002 and 2021 and have upcoming renewal dates between 2027 and 2033. All of our trademarks are in current use, and we expect that they will remain in use for the foreseeable future. We also rely, in part, upon unpatented trade secrets, know- how and continuing technological innovation, and may in the future rely upon licensing opportunities, to develop and maintain our competitive position. We protect our proprietary rights through a variety of methods, including confidentiality and assignment agreements with suppliers, employees, consultants and others who may have access to our proprietary information. Manufacturing and Supply We currently do all final manufacturing at our facility in White Bear Lake, Minnesota. We rely on a limited number of technicians and have some critical equipment that would be difficult to replace in a timely manner. In order to scale quickly, we will need to expand our manufacturing capacity and add additional shifts. We rely on third- party suppliers to manufacture some of our critical sub- assemblies. Outsourcing sub- assemblies manufacturing reduces our need for additional capital investment. We select our suppliers carefully and require they adhere to all applicable regulations. We monitor our suppliers and always inspect all components received. Our quality assurance process monitors and maintains supplier performance through qualification and periodic supplier reviews and audits. Certain components used in our products are supplied by single- source suppliers, but we believe that we are able to plan supply in a manner that would minimize the effect of losing any of our existing suppliers. Our suppliers manufacture the components they produce for us and test our components and devices to our specifications. We intend to maintain sufficient levels of inventory to enable us to continue our operations while we qualify additional potential suppliers in the event that one or more of our single- source suppliers were to encounter a delay in supply or end supply. Due to our current limited production numbers, we order components and sub-

assemblies on a purchase order basis and do not have supply agreements with any of our suppliers. Government Regulation Our products and our operations are subject to extensive regulation by the FDA and other federal and state authorities in the U. S., as well as comparable authorities in the European Economic Area (" EEA ") and other countries in which we may sell our products. In the U. S., our products are subject to regulation as medical devices under the Federal Food, Drug, and Cosmetic Act (" FDCA ") as implemented and enforced by the FDA. The FDA regulates the development, design, non- clinical and clinical research, manufacturing, safety, efficacy, labeling, packaging, storage, installation, servicing, recordkeeping, premarket clearance or approval, import, export, adverse event reporting, advertising, promotion, marketing and distribution, and import and export of medical devices to ensure that medical devices distributed domestically are safe and effective for their intended uses and otherwise meet the requirements of the FDCA. In addition to U. S. regulations, we are subject to a variety of regulations in the EEA governing clinical trials and the commercial sales and distribution of our products. Even if we obtain the required FDA clearance or approval for a product in the United States, we will be required to obtain authorization before commencing clinical studies and to obtain marketing authorization or approval of our products under the comparable regulatory authorities of countries outside of the U. S. before we can commence clinical studies or commercialize our products in those countries. The approval process varies from country to country and the time may be longer or shorter than that required for FDA clearance or approval. FDA Premarket Clearance and Approval Requirements Unless an exemption applies, each medical device commercially distributed in the U. S. requires either FDA clearance of a 510 (k) premarket notification or PMA. Under the FDCA, medical devices are classified into one of three classes, Class I, Class II, or Class III, depending on the degree of risk associated with each medical device and the extent of manufacturer and regulatory control needed to ensure its safety and effectiveness. Class I includes devices with the lowest risk to the patient and are those for which safety and effectiveness can be assured by adherence to the FDA' s General Controls for medical devices, which include compliance with the applicable portions of the FDA' s Quality System Regulations (" QSR "), facility registration and product listing, reporting of adverse medical events, and truthful and non- misleading labeling, advertising, and promotional materials. Class II devices are subject to the FDA' s General Controls, and special controls as deemed necessary by the FDA to ensure the safety and effectiveness of the device. While most Class I devices are exempt from the 510 (k) premarket notification requirement, manufacturers of most Class II devices are required to submit to the FDA a premarket notification under Section 510 (k) of the FDCA requesting permission to commercially distribute the device. The FDA' s permission to commercially distribute a device subject to a 510 (k) premarket notification is generally known as 510 (k) clearance. Under the 510 (k) process, the manufacturer must submit to the FDA a premarket notification demonstrating that the device is " substantially equivalent " to either a device that was legally marketed prior to May 28, 1976, the date upon which the Medical Device Amendments of 1976 were enacted, or another legally marketed device that was cleared through the 510 (k) process. Devices deemed by the FDA to pose the greatest risks, such as life- sustaining, life- supporting or some implantable devices, or devices that have a new intended use, or use advanced technology that is not substantially equivalent to that of a legally marketed device, are placed in Class III, requiring approval of a PMA. Some pre- amendment devices are unclassified but are subject to the FDA' s premarket notification and clearance process in order to be commercially distributed. The Acclaim CI will be regulated as a Class III device and will require approval of a PMA prior to commercialization. PMA Approval Pathway Class III devices require PMA approval before they can be marketed although some pre- amendment Class III devices for which the FDA has not yet required a PMA are cleared through the 510 (k) process. The PMA process is more demanding than the 510 (k) premarket notification process. In a PMA process, the manufacturer must demonstrate that the device is safe and effective, and the PMA must be supported by extensive data, including data from preclinical studies and human clinical trials. The PMA must also contain a full description of the device and its components, a full description of the methods, facilities and controls used for manufacturing, and proposed labeling. Following receipt of a PMA, the FDA determines whether the application is sufficiently complete to permit a substantive review. If the FDA accepts the application for review, it has 180 days under the FDCA to complete its review of a PMA, although in practice, the FDA' s review often takes significantly longer, and can take up to several years. An advisory panel of experts from outside the FDA may be convened to review and evaluate the application and provide recommendations to the FDA as to the approvability of the device. The FDA may or may not accept the panel' s recommendation. In addition, the FDA will generally conduct a preapproval inspection of the applicant or its third- party manufacturers' or suppliers' manufacturing facility or facilities to ensure compliance with the QSR. The FDA will approve the new device for commercial distribution if it determines that the data and information in the PMA constitute valid scientific evidence and that there is reasonable assurance that the device is safe and effective for its intended use (s). The FDA may approve a PMA with post- approval conditions intended to ensure the safety and effectiveness of the device, including, among other things, restrictions on labeling, promotion, sale and distribution, and collection of long- term follow- up data from patients in the clinical study that supported the PMA or requirements to conduct additional clinical studies post- approval. The FDA may condition a PMA approval on some form of post- market surveillance when deemed necessary to protect the public health or to provide additional safety and efficacy data for the device in a larger population or for a longer period of use. In such cases, the manufacturer might be required to follow certain patient groups for a number of years and to make periodic reports to the FDA on the clinical status of those patients. Failure to comply with the conditions of approval can result in material adverse enforcement action, including withdrawal of the approval. Certain changes to an approved device, such as changes in manufacturing facilities, methods, or quality control procedures, or changes in the design performance specifications, which affect the safety or effectiveness of the device, require submission of a PMA supplement. PMA supplements often require submission of the same type of information as a

PMA, except that the supplement is limited to information needed to support any changes from the device covered by the original PMA and may not require as extensive clinical data or the convening of an advisory panel. Certain other changes to an approved device require the submission of a new PMA, such as when the design change causes a different intended use, mode of operation, and technical basis of operation, or when the design change is so significant that a new generation of the device will be developed, and the data that were submitted with the original PMA are not applicable for the change in demonstrating a reasonable assurance of safety and effectiveness. Clinical Trials Clinical studies are almost always required to support a PMA and are sometimes required to support a 510 (k) submission. All clinical investigations of investigational devices to determine safety and effectiveness must be conducted in accordance with the FDA' s IDE regulations, which govern investigational device labeling, prohibit promotion of the investigational device, and specify an array of recordkeeping, reporting and monitoring responsibilities of study sponsors and study investigators. If the device presents a " significant risk " to human health, as defined by the FDA, the FDA requires the device sponsor to submit an IDE application to the FDA, which must become effective prior to commencing human clinical studies. A significant risk device is one that presents a potential for serious risk to the health, safety or welfare of a patient and either is implanted, used in supporting or sustaining human life, substantially important in diagnosing, curing, mitigating or treating disease or otherwise preventing impairment of human health, or otherwise presents a potential for serious risk to a subject. An IDE application must be supported by appropriate data, such as animal and laboratory test results, showing that it is safe to test the device in humans and that the testing protocol is scientifically sound. The IDE will automatically become effective 30 days after receipt by the FDA unless the FDA notifies the company that the investigation may not begin. If the FDA determines that there are deficiencies or other concerns with an IDE for which it requires modification, the FDA may permit a clinical study to proceed under a conditional approval. An IDE supplement must be submitted to, and approved by, the FDA before a sponsor or investigator may make a change to the investigational plan that may affect its scientific soundness, study plan or the rights, safety or welfare of human subjects. In addition, the study must be approved by, and conducted under the oversight of, an Institutional Review Board (" IRB ") for each clinical site. The IRB is responsible for the initial and continuing review of the IDE, and may pose additional requirements for the conduct of the study. If an IDE application is approved by the FDA and one or more IRBs, human clinical studies may begin at a specific number of investigational sites with a specific number of patients, as approved by the FDA. If the device presents a non- significant risk to the patient, a sponsor may begin the clinical study after obtaining approval for the study by one or more IRBs without separate approval from the FDA, but must still follow abbreviated IDE requirements, such as monitoring the investigation, ensuring that the investigators obtain informed consent, and complying with labeling and record- keeping requirements. During a study, the sponsor is required to comply with the applicable FDA requirements, including, for example, study monitoring, selecting clinical investigators and providing them with the investigational plan, ensuring IRB review, adverse event reporting, record keeping, and prohibitions on the promotion of investigational devices or on making safety or effectiveness claims for them. The clinical investigators in the clinical study are also subject to FDA regulations and must obtain patient informed consent, rigorously follow the investigational plan and study protocol, control the disposition of the investigational device, and comply with all reporting and recordkeeping requirements. Additionally, after a study begins, we, the FDA or the IRB could suspend or terminate a clinical study at any time for various reasons, including a belief that the risks to study subjects outweigh the anticipated benefits. Expedited Development and Review Programs Following passage of the 21st Century Cures Act, the FDA implemented the Breakthrough Devices Program, which is a voluntary program offered to manufacturers of certain medical devices and device- led combination products, including the Acclaim CI, that may provide for more effective treatment or diagnosis of life- threatening or irreversibly debilitating diseases or conditions. The goal of the program is to provide patients and health care providers with more timely access to qualifying devices by expediting their development, assessment and review, while preserving the statutory standards for FDA marketing authorization, although there is no guarantee that this designation will accelerate the timeline for approval or make it more likely that the Acclaim CI will be approved. The program is available to medical devices that meet certain eligibility criteria, including that the device provides more effective treatment or diagnosis of life- threatening or irreversibly debilitating diseases or conditions, and that the device meets one of the following criteria: (i) the device represents a breakthrough technology, (ii) no approved or cleared alternatives exist, (iii) the device offers significant advantages over existing approved or cleared alternatives, or (iv) the availability of the device is in the best interest of patients. Breakthrough Device designation provides certain benefits to device developers, including more interactive and timely communications with FDA staff, use of post- market data collection, when scientifically appropriate, to facilitate expedited and efficient development and review of the device, opportunities for efficient and flexible clinical study design, and prioritized review of premarket submissions. The Acclaim CI received Breakthrough Device designation in March 2019. Post- market Regulation After a device is cleared or approved for marketing, numerous and pervasive regulatory requirements continue to apply. These include: ● establishment registration and device listing with the FDA; ● QSR requirements, which require manufacturers, including third- party manufacturers, to follow stringent design, testing, control, documentation and other quality assurance procedures during all aspects of the design and manufacturing process; ● labeling and marketing regulations, which require that promotion is truthful, not misleading, fairly balanced and provide adequate directions for use and that all claims are substantiated, and also prohibit the promotion of products for unapproved or " off- label " uses and impose other restrictions on labeling; FDA guidance on off- label dissemination of information and responding to unsolicited requests for information; ● the federal Physician Sunshine Act and various state and foreign laws on reporting remunerative relationships with health care customers; ● the federal Anti- Kickback Statute (and similar state laws) prohibiting,

among other things, soliciting, receiving, offering or providing remuneration intended to induce the purchase or recommendation of an item or service reimbursable under a federal healthcare program, such as Medicare or Medicaid. A person or entity does not have to have actual knowledge of this statute or specific intent to violate it to have committed a violation; ● the federal False Claims Act (and similar state laws) prohibiting, among other things, knowingly presenting, or causing to be presented, claims for payment or approval to the federal government that are false or fraudulent, knowingly making a false statement material to an obligation to pay or transmit money or property to the federal government or knowingly concealing, or knowingly and improperly avoiding or decreasing, an obligation to pay or transmit money to the federal government. The government may assert that claim includes items or services resulting from a violation of the federal Anti- Kickback Statute constitutes a false or fraudulent claim for purposes of the false claims statute; ● clearance or approval of product modifications to 510 (k)- cleared devices that could significantly affect safety or effectiveness or that would constitute a major change in intended use of one of our cleared devices, or approval of a supplement for certain modifications to PMA devices; ● medical device reporting regulations, which require that a manufacturer report to the FDA if a device it markets may have caused or contributed to a death or serious injury, or has malfunctioned and the device or a similar device that it markets would be likely to cause or contribute to a death or serious injury, if the malfunction were to recur; ● correction, removal and recall reporting regulations, which require that manufacturers report to the FDA field corrections and product recalls or removals if undertaken to reduce a risk to health posed by the device or to remedy a violation of the FDCA that may present a risk to health; ● complying with the new federal law and regulations requiring Unique Device Identifiers (" UDI ") on devices and also requiring the submission of certain information about each device to the FDA' s Global Unique Device Identification Database (" GUDID "); ● the FDA' s recall authority, whereby the agency can order device manufacturers to recall from the market a product that is in violation of governing laws and regulations; and ● post- market surveillance activities and regulations, which apply when deemed by the FDA to be necessary to protect the public health or to provide additional safety and effectiveness data for the device. We may be subject to similar foreign laws that may include applicable post-marketing requirements such as safety surveillance. Our manufacturing processes are required to comply with the applicable portions of the QSR, which cover the methods and the facilities and controls for the design, manufacture, testing, production, processes, controls, quality assurance, labeling, packaging, distribution, installation and servicing of finished devices intended for human use. The QSR also requires, among other things, maintenance of a device master file, device history file, and complaint files. As a manufacturer, our facilities, records and manufacturing processes are subject to periodic scheduled or unscheduled inspections by the FDA. Our failure to maintain compliance with the QSR or other applicable regulatory requirements could result in the shut- down of, or restrictions on, our manufacturing operations and the recall or seizure of our products. The discovery of previously unknown problems with any of our products, including unanticipated adverse events or adverse events of increasing severity or frequency, whether resulting from the use of the device within the scope of its clearance or off- label by a physician in the practice of medicine, could result in restrictions on the device, including the removal of the product from the market or voluntary or mandatory device recalls. The FDA has broad regulatory compliance and enforcement powers. If the FDA determines that we failed to comply with applicable regulatory requirements, it can take a variety of compliance or enforcement actions, which may result in any of the following sanctions: ● warning letters, untitled letters, fines, injunctions, consent decrees and civil penalties; ● recalls, withdrawals, or administrative detention or seizure of our products; ● operating restrictions or partial suspension or total shutdown of production; ● refusing or delaying requests for 510 (k) marketing clearance or PMA approvals of new products or modified products; ● withdrawing 510 (k) clearances or PMA approvals that have already been granted; ● refusal to grant export or import approvals for our products; or ● criminal prosecution. Foreign Regulation In order for us to market our products in countries outside the U. S., we must obtain regulatory approvals or certifications and comply with extensive product and quality system regulations in other countries. These regulations, including the requirements for approvals, clearance or certifications and the time required for regulatory review, vary from country to country. Some countries have regulatory review processes that are substantially longer than U. S. processes. Failure to obtain regulatory approval or certification in a timely manner and meet all of the local requirements including language and specific safety standards in any foreign country in which we plan to market our products could prevent us from marketing products in such countries or subject us to sanctions and fines. Regulation of Medical Devices in the European Union The European Union (" EU ") has adopted specific directives and regulations regulating the design, manufacture, clinical investigation, conformity assessment, labeling and adverse event reporting for medical devices. Until May 25, 2021, medical devices were regulated by Council Directive 93 / 42 / EEC (the " EU Medical Devices Directive "), and Directive 90 / 385 / EEC (" AIMDD ") which have been repealed and replaced by Regulation (EU) No 2017 / 745 (the " EU Medical Devices Regulation "). Our current certificates have been granted under the EU Medical Devices Directive and the AIMDD whose regime is described below. However, as of May 26, 2021, some of the EU Medical Devices Regulation requirements apply in place of the corresponding requirements of the EU Medical Devices Directive and the AIMDD with regard to registration of economic operators and of devices, post-market surveillance and vigilance requirements. Pursuing marketing of medical devices in the EU will notably require that our devices be certified under the new regime set forth in the EU Medical Devices Regulation when our current certificates expire. In the EU, there is currently no premarket government review of medical devices. However, all medical devices placed on the EU market must meet the essential requirements, including the requirement that a medical device must be designed and manufactured in such a way that it will not compromise the clinical condition or safety of patients, or the safety and health of users and others. In addition, the device must achieve the performance intended by the manufacturer and be designed, manufactured, and packaged in a suitable manner. Compliance with the essential

requirements is a prerequisite for the CE Mark without which medical devices cannot be marketed or sold in the EU. To demonstrate compliance with the essential requirements, medical device manufacturers must undergo a conformity assessment procedure, which varies according to the type of medical device and its (risk) classification. Except for low-risk medical devices (Class I non- sterile, non- measuring devices), where the manufacturer can self- assess the conformity of its products with the essential requirements (except for any parts which relate to sterility or metrology), a conformity assessment procedure requires the intervention of a notified body. Notified bodies are independent organizations designated by EU member states to assess the conformity of devices before being placed on the market. A notified body would typically audit and examine a product' s technical dossiers and the manufacturers' quality system. If satisfied that the relevant product conforms to the relevant essential requirements, the notified body issues a certificate of conformity, which the manufacturer uses as a basis for its own declaration of conformity. The manufacturer may then apply the CE Mark to the device, which allows the device to be placed on the market throughout the EU. Throughout the term of the certificate of conformity, the manufacturer will be subject to periodic surveillance audits to verify continued compliance with the applicable requirements. In particular, there will be a new audit by the notified body before it will renew the relevant certificate (s). On April 5, 2017, the EU Medical Devices Regulation was adopted with the aim of ensuring better protection of public health and patient safety. The EU Medical Devices Regulation establishes a uniform, transparent, predictable and sustainable regulatory framework across the EU for medical devices and ensures a high level of safety and health while supporting innovation. Unlike the EU Medical Devices Directive and the AIMDD, the EU Medical Devices Regulation is directly applicable in EU member states without the need for member states to implement into national law. This aims at increasing harmonization across the EU. Devices lawfully placed on the market pursuant to the EU Medical Devices Directive or the AIMDD prior to May 26, 2021 may generally continue to be made available on the market or put into service until May 26, 2025, provided that the requirements of the transitional provisions are fulfilled. In particular, the certificate in question must still be valid. However, even in this case, manufacturers must comply with a number of new or reinforced requirements set forth in the EU Medical Devices Regulation, in particular the obligations described below. The EU Medical Devices Regulation requires that before placing a device, other than a custom- made device, on the market, manufacturers (as well as other economic operators such as authorized representatives and importers) must register by submitting identification information to the electronic system (Eudamed), unless they have already registered. The information to be submitted by manufacturers (and authorized representatives) also includes the name, address and contact details of the person or persons responsible for regulatory compliance. The new Regulation also requires that before placing a device, other than a custom- made device, on the market, manufacturers must assign a unique identifier to the device and provide it along with other core data to the UDI database. These new requirements aim at ensuring better identification and traceability of the devices. Each device and, as applicable, each package will have a UDI composed of two parts: a device identifier (" UDI- DI ") specific to a device, and a production identifier (" UDI- PI ") to identify the unit producing the device. Manufacturers are also notably responsible for entering the necessary data on Eudamed, which includes the UDI database, and for keeping it up to date. The obligations for registration in Eudamed will become applicable at a later date (as Eudamed is not yet fully functional). Until Eudamed is fully functional, the corresponding provisions of the EU Medical Devices Directive and the AIMDD continue to apply for the purpose of meeting the obligations laid down in the provisions regarding exchange of information, including, and in particular, information regarding registration of devices and economic operators. All manufacturers placing medical devices into the market in the EU must comply with the EU medical device vigilance system. Under this system, serious incidents and Field Safety Corrective Actions (" FSCAs ") must be reported to the relevant authorities of the EU member states. Manufacturers are required to take FSCAs defined as any corrective action for technical or medical reasons to prevent or reduce a risk of a serious incident associated with the use of a medical device that is made available on the market. An FSCA may include the recall, modification, exchange, destruction or retrofitting of the device. The aforementioned EU rules are generally applicable in the EEA, which consists of the 27 EU member states plus Norway, Liechtenstein, and Iceland. Brexit Since January 1, 2021, the Medicines and Healthcare Products Regulatory Agency (" MHRA ") has become the sovereign regulatory authority responsible for Great Britain (i. e. England, Wales and Scotland) medical device market according to the requirements provided in the Medical Devices Regulations 2002 (SI 2002 No 618, as amended) that sought to give effect to EU Medical Devices Directive and AIMDD whereas Northern Ireland continues to be governed by EU rules according to the Northern Ireland Protocol. Following the end of the Brexit transitional period on January 1, 2021, new regulations require medical devices to be registered with the MHRA before being placed on Great Britain market. The MHRA only registers devices where the manufacturer or their United Kingdom (" UK ") Responsible Person has a registered place of business in the UK. Manufacturers based outside the UK need to appoint a UK Responsible Person that has a registered place of business in the UK to register devices with the MHRA. On June 26, 2022, the MHRA published its response to a 10- week consultation on the post- Brexit regulatory framework for medical devices and diagnostics. MHRA seeks to amend the UK Medical Devices Regulations 2002 (which are based on EU legislation, primarily the EU Medical Devices Directive and the EU In Vitro Diagnostic Medical Devices Directive 98 / 79 / EC), in particular to create new access pathways to support innovation, create an innovative framework for regulating software and artificial intelligence as medical devices, reform IVD regulation, and foster sustainability through the reuse and remanufacture of medical devices. Regulations implementing the new regime were originally scheduled to come into force in July 2023, but have recently been postponed to July 2025. Devices bearing CE Marks issued by EU notified bodies under the EU Medical Devices Regulation, the EU Medical Devices Directive or AIMDD are now subject to transitional arrangements. In its consultation response, the MHRA indicated that the future UK regulations will allow devices certified under the EU

Medical Devices Regulation to be placed on the market in Great Britain under the CE Mark until either the certificate expires or for five years after the new regulations take effect, whichever is sooner. Devices certified under the EU Medical Devices Directive or AIMDD could continue to be placed on the market until either the certificate expires or for three years after the new regulations take effect, whichever is sooner. Following these transitional periods, it is expected that all medical devices will require a UK Conformity Assessed (" UKCA ") mark. Manufacturers may choose to use the UKCA mark on a voluntary basis until July 1, 2025. However, UKCA marking will not be recognized in the EU. The rules for placing medical devices on the market in Northern Ireland, which is part of the UK, differ from those in the rest of the UK. Compliance with this legislation is a prerequisite to be able to affix the UKCA mark to our products, without which they cannot be sold or marketed in Great Britain. In addition, the Trade Deal between the UK and the EU generally provides for cooperation and exchange of information between the parties in the areas of product safety and compliance, including market surveillance, enforcement activities and measures, standardization- related activities, exchanges of officials, and coordinated product recalls. As such, processes for compliance and reporting should reflect requirements from regulatory authorities. Similarly, we are subject to regulations and product registration requirements in many foreign countries in which we may sell our products, including in the areas of: ● design, development, manufacturing, and testing; ● product standards; ● product safety; ● product safety reporting; ● marketing, sales, and distribution; ● packaging and storage requirements; ● labeling requirements; ● content and language of instructions for use; ● clinical studies; ● record keeping procedures; ● advertising and promotion; ● recalls and field corrective actions; ● post- market surveillance, including reporting of deaths or serious injuries and malfunctions that, if they were to recur, could lead to death or serious injury; ● import and export restrictions; ● tariff regulations, duties, and tax requirements; ● registration for reimbursement; and ● necessity of testing performed in country by distributors for licensees. The time required to obtain clearance or certification required by foreign countries may be longer or shorter than that required for FDA clearance, and requirements for licensing a product in a foreign country may differ significantly from FDA requirements. Federal, State and Foreign Fraud and Abuse and Physician Payment Transparency Laws In addition to FDA restrictions on marketing and promotion of drugs and devices, other federal, state, and foreign laws restrict our business practices. These laws include, without limitation, foreign, federal, and state anti- kickback and false claims laws, as well as transparency laws regarding payments or other items of value provided to healthcare providers. The federal Anti- Kickback Statute prohibits, among other things, knowingly and willfully offering, paying, soliciting or receiving any remuneration (including any kickback, bribe or rebate), directly or indirectly, overtly or covertly, in cash or in kind to induce or in return for purchasing, leasing, ordering or arranging for or recommending the purchase, lease or order of any good, facility, item or service reimbursable, in whole or in part, under Medicare, Medicaid or other federal healthcare programs. The term " remuneration " has been broadly interpreted to include anything of value, including stock, stock options, and the compensation derived through ownership interests. Although there are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution, the exceptions and safe harbors are drawn narrowly. Failure to meet all of the requirements of a particular applicable statutory exception or regulatory safe harbor does not make the conduct per se illegal under the federal Anti- Kickback Statute. Instead, the legality of the arrangement will be evaluated on a case- by-case basis based on a cumulative review of all its facts and circumstances. Conduct and business arrangements that do not fully satisfy one of these safe harbor provisions may result in increased scrutiny by government enforcement authorities. Several courts have interpreted the statute' s intent requirement to mean that if any one purpose of an arrangement involving remuneration is to induce referrals of federal healthcare covered business, the federal Anti-Kickback Statute has been violated. In addition, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. The majority of states also have anti- kickback laws which establish similar prohibitions and in some cases may apply more broadly to items or services covered by any third- party payor, including commercial insurers and self- pay patients. The federal civil False Claims Act prohibits, among other things, any person or entity from knowingly presenting, or causing to be presented, a false or fraudulent claim for payment or approval to the federal government or knowingly making, using or causing to be made or used a false record or statement material to a false or fraudulent claim to the federal government. A claim includes " any request or demand " for money or property presented to the U. S. government. The federal civil False Claims Act also applies to false submissions that cause the government to be paid less than the amount to which it is entitled, such as a rebate. Intent to deceive is not required to establish liability under the civil federal civil False Claims Act. Moreover, a claim including items or services resulting from a violation of the federal Anti- Kickback Statute constitutes a false or fraudulent claim for purposes of the federal civil False Claims Act. In addition, private parties may initiate " qui tam " whistleblower lawsuits against any person or entity under the federal civil False Claims Act in the name of the government and share in the proceeds of the lawsuit. The government may further prosecute conduct constituting a false claim under the federal criminal False Claims Act. The criminal False Claims Act prohibits the making or presenting of a claim to the government knowing such claim to be false, fictitious or fraudulent and, unlike the federal civil False Claims Act, requires proof of intent to submit a false claim. The Civil Monetary Penalties Law imposes penalties against any person or entity that, among other things, is determined to have presented or caused to be presented a claim to a federal healthcare program that the person knows or should know is for an item or service that was not provided as claimed or is false or fraudulent, or offering or transferring remuneration to a federal healthcare beneficiary that a person knows or should know is likely to influence the beneficiary' s decision to order or receive items or services reimbursable by the government from a particular provider or supplier. The Health Insurance Portability and Accountability Act (" HIPAA ") also created additional federal criminal statutes that prohibit among other actions,

knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, including private third- party payors, knowingly and willfully embezzling or stealing from a healthcare benefit program, willfully obstructing a criminal investigation of a healthcare offense, and knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. Similar to the federal Anti- Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. Many foreign countries have similar laws relating to healthcare fraud and abuse. Foreign laws and regulations may vary greatly from country to country. For example, the advertising and promotion of medical devices is subject to some general principles set forth in EU legislation. According to the EU Medical Devices Regulation, only devices that are CE marked may be marketed and advertised in the EU in accordance with their intended purpose. Directive 2006 / 114 / EC concerning misleading and comparative advertising and Directive 2005 / 29 / EC on unfair commercial practices, while not specific to the advertising of medical devices, also apply to the advertising thereof and contain general rules, for example, requiring that advertisements are evidenced, balanced and not misleading. Specific requirements are defined at a national level. EU member states' laws related to the advertising and promotion of medical devices, which vary between jurisdictions, may limit or restrict the advertising and promotion of products to the general public and may impose limitations on promotional activities with healthcare professionals. These laws, which vary between jurisdictions (thus making compliance more complex), may limit or restrict the advertising and promotion of our products to the general public and may impose limitations on our promotional activities with healthcare professionals. Many EU member states have adopted specific anti- gift statutes that further limit commercial practices for our products, in particular vis- à- vis healthcare professionals and organizations. Additionally, there has been a recent trend of increased regulation of payments and transfers of value provided to healthcare professionals or entities and many EU member states have adopted national " Sunshine Acts " which impose reporting and transparency requirements (often on an annual basis), similar to the requirements in the United States, on medical device manufacturers. Certain countries also mandate implementation of commercial compliance programs. Also, many U. S. states have similar fraud and abuse statutes or regulations that may be broader in scope and may apply regardless of payor, in addition to items and services reimbursed under Medicaid and other state programs. Additionally, there has been a recent trend of increased foreign, federal, and state regulation of payments and transfers of value provided to healthcare professionals or entities. In the U. S., the federal Physician Payments Sunshine Act imposes annual reporting requirements on certain drug, biologics, medical supplies and device manufacturers for which payment is available under Medicare, Medicaid or CHIP for payments and other transfers of value provided by them, directly or indirectly, to physicians, as defined by statute, certain other non- physician practitioners such as physician assistants and nurse practitioners, and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members. Manufacturers must submit reports by the 90th day of each calendar year. Many EU member states have adopted national " Sunshine Acts " which impose similar reporting and transparency requirements (often on an annual basis) on certain drug, biologics and medical device manufacturers. Certain foreign countries and U. S. states also mandate implementation of commercial compliance programs, impose restrictions on device manufacturer marketing practices and require tracking and reporting of gifts, compensation, and other remuneration to healthcare professionals and entities. Violation of any of the federal and state healthcare laws described above or any other governmental regulations that apply to device manufacturers may result in significant penalties, including the imposition of significant civil, criminal and administrative penalties, damages, disgorgement, monetary fines, imprisonment, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, additional reporting requirements and / or oversight if the entity becomes subject to a corporate integrity agreement or similar agreement to resolve allegations of non- compliance with these laws, and curtailment of operations. Data Privacy and Security Laws Numerous state, federal and foreign laws, regulations, and standards govern the collection, use, access to, confidentiality and security of health- related and other personal information and could apply now or in the future to our operations or the operations of our partners. In the United States, numerous federal and state laws and regulations, including data breach notification laws, health information privacy and security laws, including HIPAA, and consumer protection laws and regulations govern the collection, use, disclosure, and protection of health- related and other personal information. In addition, certain foreign laws govern the privacy and security of personal data, including health- related data. For example, the General Data Protection Regulation (the " GDPR "), imposes strict requirements for processing the personal data of individuals within the EEA. Privacy and security laws, regulations, and other obligations are constantly evolving, may conflict with each other to complicate compliance efforts, and can result in investigations, proceedings, or actions that lead to significant civil and / or criminal penalties and restrictions on data processing. Healthcare Reform The U. S. and some foreign jurisdictions are considering or have enacted a number of legislative and regulatory proposals to change the healthcare system in ways that could affect our ability to sell our products profitably. Among policy makers and payors in the U. S. and elsewhere, there is significant interest in promoting changes in healthcare systems with the stated goals of containing healthcare costs, improving quality or expanding access. Current and future legislative proposals to further reform healthcare or reduce healthcare costs may limit coverage of or lower reimbursement for the procedures associated with the use of our products. The cost containment measures that payors and providers are instituting and the effect of any healthcare reform initiative implemented in the future could impact our revenue from the sale of our products. The implementation of the Affordable Care Act (" ACA ") in the U. S., for example, has changed healthcare financing and delivery by both governmental and private insurers substantially, and affected medical device

manufacturers significantly. The ACA, among other things, provided incentives to programs that increase the federal government' s comparative effectiveness research, and implemented payment system reforms including a national pilot program on payment bundling to encourage hospitals, physicians, and other providers to improve the coordination, quality, and efficiency of certain healthcare services through bundled payment models. Additionally, the ACA expanded eligibility criteria for Medicaid programs and created a new Patient- Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research. Since its enactment, there have been judicial, executive and Congressional challenges to certain aspects of the ACA. On June 17, 2021, the U. S. Supreme Court dismissed the most recent judicial challenge to the ACA without specifically ruling on the constitutionality of the ACA. Prior to the Supreme Court' s decision, President Biden issued an executive order to initiate a special enrollment period from February 15, 2021 through August 15, 2021 for purposes of obtaining health insurance coverage through the ACA marketplace. The executive order also instructed certain governmental agencies to review and reconsider their existing policies and rules that limit access to healthcare, including among others, reexamining Medicaid demonstration projects and waiver programs that include work requirements, and policies that create unnecessary barriers to obtaining access to health insurance coverage through Medicaid or the ACA. In addition, other legislative changes have been proposed and adopted since the ACA was enacted. For example, the Budget Control Act of 2011, among other things, included reductions to Medicare payments to providers, which went into effect on April 1, 2013 and, due to subsequent legislative amendments to the statute, will remain in effect into 2032, with the exception of a temporary suspension from May 1, 2020 through March 31, 2022, unless additional Congressional action is taken. Additionally, the American Taxpayer Relief Act of 2012, among other things, reduced Medicare payments to several providers, including hospitals, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. In addition, the Medicare Access and CHIP Reauthorization Act of 2015 enacted on April 16, 2015, repealed the formula by which Medicare made annual payment adjustments to physicians and replaced the former formula with fixed annual updates and a new system of incentive payments began in 2019 that are based on various performance measures and physicians' participation in alternative payment models such as accountable care organizations. We expect additional state, federal, and foreign healthcare reform measures to be adopted in the future, any of which could limit the amounts that federal, state, and foreign governments will pay for healthcare products and services, which could result in reduced demand for our products or additional pricing pressure. Anti- Bribery and Corruption Laws Our U. S. operations are subject to the Foreign Corrupt Practices Act (" FCPA "). We are required to comply with the FCPA, which generally prohibits covered entities and their intermediaries from engaging in bribery or making other prohibited payments to foreign officials for the purpose of obtaining or retaining business or other benefits. In addition, the FCPA imposes accounting standards and requirements on publicly traded U. S. corporations and their foreign affiliates, which are intended to prevent the diversion of corporate funds to the payment of bribes and other improper payments, and to prevent the establishment of " off books " slush funds from which such improper payments can be made. We also are subject to similar anticorruption legislation implemented in Europe under the Organization for Economic Co- operation and Development' s Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. Segment Information We manage our business within one reportable segment. Segment information is consistent with how management reviews our business, makes investing and resource allocation decisions, and assesses our operating performance. Facilities Our principal office is located at 4875 White Bear Lake, Minnesota, where we lease approximately 10, 000 square feet of office space. We lease this space under a lease that terminates on December 31, 2027. We believe that our existing facility is sufficient to meet our needs for the foreseeable future. We also lease 1, 100 square feet of office space in Ausbach, Germany pursuant to a lease that automatically renews each year for a successive one year period, unless the we notify the landlord 6 months prior to the annual renewal. This lease renewed automatically on January 1, 2023 and again on January 1, 2024. Employees and Human Capital As of December 31, 2023, we had approximately 34 employees. A significant number of our employees have a technical background and hold advanced engineering or scientific degrees. We view our investment in human capital to be crucial to our success, and we are committed to ensuring an inclusive culture in which employees feel they are part of achieving a common goal. Our work environment is highly collaborative and one that is based on trust and mutual respect. We believe that the relatively small size of our organization allows our employees to feel pride and ownership in their work and a sense of being part of fulfilling our mission more directly than with larger companies in our industry. None of our employees is subject to a collective bargaining agreement or represented by a trade or labor union. We consider our relationship with our employees to be good. Available Information Our Annual Reports on Form 10- K, Quarterly Reports on Form 10- Q and Current Reports on Form 8- K, and all amendments to those reports, filed with or furnished to the SEC, are available free of charge through the investor relations sections of the Company' s website, https: / / www. envoymedical. com / investors, as soon as reasonably practicable after we have electronically filed such material with, or furnished it to, the SEC. In addition, the SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www. sec. gov. The information on our website is not, and shall not be deemed to be, part of this Report or incorporated into any other filings we make with the SEC, except as shall be expressly set forth by specific reference in any such filings. ITEM 1A. Risk Factors Risks Relating to Our Business and Operations We are an early- stage company with a history of losses. We have not been profitable historically and may not be able to achieve profitability in the future. We are a development- stage medical device company with a limited operating history. In recent years, we have focused almost exclusively on developing our lead product candidate, the Acclaim CI. We have funded our operations to date primarily through the issuance of our equity **securities** and **convertible** debt ~~financing~~ **. We have a limited operating history upon**

which you can evaluate our business and prospects. In addition , we have limited experience and have not yet demonstrated an ability to successfully overcome many of the risks and uncertainties frequently encountered by companies in new and rapidly evolving fields, particularly in the medical device industry. To date, we have not generated any revenue from the sale of the Acclaim CI. See Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations for additional information. We have incurred losses in each year since our inception, including net losses of approximately $ 29. 9 million and $ 15. 9 million for the years ended December 31, 2023 and 2022, respectively. As of December 31, 2023 and 2022, we had an accumulated deficit of approximately $ 257. 2 million and $ 226. 0 million, respectively. Substantially all of our operating losses in such years resulted from costs incurred in connection with the development of the Acclaim CI and from general and administrative costs associated with **our operations. We will incur significant** ~~employing and retaining third- party advisors who performed the financial, auditing and legal services required to complete the transaction, and the~~ expenses **related to clinical trials to obtain approval of** ~~generated by our officers, executives, managers and employees in connection with~~ the ~~transaction~~ **FDA to market the Acclaim CI** . If ~~,~~ **we obtain FDA marketing approval** for ~~whatever reason,~~ the ~~Proposed~~ **Acclaim CI we will likely incur significant sales, marketing, and outsourced manufacturing expenses, as well as continued research and development expenses. Furthermore, now that the** Business Combination ~~fails to close~~ **has been completed , we expect to incur additional costs associated with operating as a public company. As a result, we expect to continue to incur significant and increasing operating losses for the foreseeable future. Because of the numerous risks and uncertainties associated with developing a medical device, we are unable to predict the extent of any future losses or when** we will **become profitable** ~~be responsible for these costs~~ , **if at all** ~~but will have no source of revenue with which to pay them~~ . We **expect** ~~may need~~ to **continue** ~~obtain additional sources of financing in order~~ to ~~meet our obligations~~ **incur significant losses until we receive the necessary regulatory approvals to commercialize the Acclaim CI in the United States** , which we may not be ~~able~~ **successful in achieving. We anticipate that our expenses will increase substantially if and as we: ● continue the research and development of the Acclaim CI, including through clinical trials; ● seek additional regulatory and marketing approvals in jurisdictions outside the United States; ● establish a sales, marketing, and distribution infrastructure** to ~~secure~~ **commercialize our product candidate; ● rely** on **our third- party suppliers and manufacturers to obtain adequate supply of materials and components for our products; ● seek to identify, assess, acquire, license, and / or develop** ~~the~~ **other** ~~same terms~~ **product candidates and subsequent generations of our current product candidate; ● seek to maintain, protect, and expand our intellectual property portfolio; ● seek to identify, hire, and retain skilled personnel; ● create additional infrastructure to support our operations** as **a public company and our product candidate development and planned future commercialization efforts; and ● experience any delays** ~~our~~ **or encounter issues with respect to any of the above, including, but not limited to, failed studies, complex results, safety issues or other regulatory challenges that require longer follow- up of** existing **studies or additional supportive studies in order to pursue marketing approval. The amount of any future operating losses will depend, in part, on the rate of our future expenditures and our ability to obtain funding through equity or debt** ~~financing~~ **financings , strategic collaborations, or grants. Even if we obtain regulatory approvals to market the Acclaim CI or any future product candidates,** ~~or~~ **our** ~~at all~~ **future revenue will depend upon the size of any markets in which our products and product candidates receive approval and our ability to achieve sufficient market acceptance, pricing and reimbursement from third- party payors for our products and product candidates. Further, the operating losses that we incur may fluctuate significantly from quarter- to- quarter and year to year, such that a period- to- period comparison of our results of operations may not be a good indication of our future performance. Other unanticipated costs may also arise** . If we **continue** ~~are unable~~ to ~~secure new sources of financing~~ **generate operating losses, there will be** ~~and~~ **an adverse effect on our results of operations, financial condition, and the market price of our Class A Common Stock. We have generated limited revenue from product sales and may never be profitable. While we have historically obtained revenue from our legacy Esteem FI- AMEI product, such revenue has been limited, and we have not generated any revenue from sales of the Acclaim CI. Our ability to generate revenue and achieve profitability mainly depends on our ability to obtain FDA approval for the Acclaim CI and, if we obtain such approval, to successfully scale up production and market the device. We** do not **know when,** ~~have sufficient funds to meet our~~ **or** ~~obligations~~ **if** , we will **generate any such revenue. Our ability to generate future revenue from product sales will depend heavily on our success in many areas, including but not limited to: ● completing research and development of the Acclaim CI in a timely and successful manner; ● completing our pivotal clinical study in the United States successfully; ● obtaining FDA approval for the Acclaim CI; ● maintaining and enhancing a commercially viable, sustainable, scalable, reproducible and transferable manufacturing process for the Acclaim CI that is compliant with current good manufacturing practices, (" cGMP "); ● establishing and maintaining supply and, if applicable, manufacturing relationships with third parties that can provide, in both amount and quality, adequate products to support development and the market demand for the Acclaim CI, if and when it is approved; ● identifying, assessing, acquiring and / or developing new product candidates; ● launching and commercializing any product candidates for which we obtain regulatory and marketing approval, either directly by establishing a sales force, marketing and distribution infrastructure, and / or with collaborators or distributors in the United States, Europe and other potential markets that we will target; ● accurately identifying demand for the Acclaim CI and any future product candidates; ● exposing and educating physicians and other medical professionals with respect to the use of our products; ● obtaining market acceptance of the Acclaim CI and any future product candidates from the medical community and third- party payors; ● ensuring our product candidates are approved for reimbursement from governmental agencies, health care providers and insurers in jurisdictions where they have been approved for marketing; ● addressing any competing technological and market developments that impact the Acclaim CI and any future product candidates or their prospective usage by**

medical professionals; ● negotiating favorable terms in any collaboration, licensing or other arrangements into which we may enter and performing our obligations under such arrangements; ● maintaining, protecting and expanding our portfolio of intellectual property rights, including patents, patent applications, trade secrets and know- how; ● avoiding and defending against third- party interference or infringement claims; and ● attracting, hiring and retaining qualified personnel. We anticipate incurring significant incremental costs associated with commercializing the Acclaim CI. Our expenses could increase beyond expectations if we are required by the FDA, or other domestic or foreign regulatory agencies, to change our product design or manufacturing processes or to perform studies in addition to those that we currently anticipate. Even if we are successful in obtaining regulatory approvals to market the Acclaim CI, our revenue earned from such product candidate will be **dependent in part upon** ~~forced to cease operations and liquidate~~ the **size of** ~~trust account. If~~ the ~~Proposed Business Combination~~ **markets in the territories for which we gain regulatory approval for such product candidate, the accepted price for such product candidate, our ability to obtain reimbursement for such product candidate at any price, and the expenses associated** with **manufacturing** ~~Envoy fails, it may be difficult to research a new prospective target business, negotiate~~ and **marketing such product candidate** ~~agree to a new business combination, and / or arrange~~ for **such markets** ~~new sources of financing by September 30, 2023, in which case we would cease all operations except for the purpose of winding up and we would redeem our public shares and liquidate~~. **Therefore** ~~Finding, researching, analyzing and negotiating with Envoy took a substantial amount of time, and if the Proposed Business Combination fails~~, we may not ~~be able to find a suitable target business and complete our initial business combination by September 30, 2023 or such earlier date as determined by our board of directors. Our ability to complete our initial business combination may be negatively impacted by general~~ **generate** ~~market conditions, volatility in the capital and debt markets and the other risks described herein, including as a result of terrorist attacks, wars, natural disasters or a~~ significant **revenue from** ~~outbreak of infectious diseases. For example,~~ the **sale of the Acclaim CI** ~~conflict between Russia and Ukraine could lead to disruption~~, ~~instability and volatility in global markets and industries. Such events~~ -- **even if** ~~could limit our ability to complete our initial business combination, including as a result of increased market volatility, decreased market liquidity and third- party financing being unavailable on terms acceptable to us or at all. Additionally, the COVID- 19 pandemicand other events (such as terrorist attacks, wars, natural disasters or a significant outbreak of other infectious diseases) may negatively impact businesses~~ we **obtain FDA approval** ~~may seek to acquire~~. ~~If~~ **Further, if** we are not able to **generate significant revenue from** ~~complete the Proposed Business Combination with Envoy, complete an alternative business combination or obtain an extension by September 30, 2023 or such earlier date as determined by our board of directors, we will: (1) cease all operations except for the purpose of winding up; (2) as promptly as reasonably possible but not more than 10 business days thereafter, redeem the public shares, at a per- share price, payable in cash, equal to the aggregate amount then~~ - **the sale** ~~on deposit in the trust account, including interest (which interest shall be net~~ of ~~taxes payable), divided by the number of then issued and outstanding public shares, which redemption will completely extinguish public stockholders' rights as stockholders (including the right to receive further liquidating distributions, if any); and (3) as promptly as reasonably possible following such redemption, subject to the approval of our remaining stockholders and our board of directors, liquidate and dissolve, subject in each case to our obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law. In such case, our public stockholders may receive only $ 10. 00 per share, or~~ **our** ~~less than $ 10. 00 per share, on the redemption of their shares, and our warrants will expire worthless. 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. 00 per share " and other risk factors herein. If we seek stockholder approval of our initial business combination, our sponsor, directors and officers have agreed to vote in favor of such initial business combination, regardless of how our public stockholders vote, and we would not need any public stockholders to vote in favor of an initial business combination in order to have such initial business combination~~ approved ~~. Our sponsor owns approximately 70. 3 % our issued and outstanding shares of common stock following the Extension Redemptions. Unlike some other blank check companies in which the initial stockholders agree to vote their founder shares in accordance with the majority of the votes cast by the public stockholders in connection with an initial business combination, our sponsor, directors and officers have agreed (and their permitted transferees will agree), pursuant to the terms of a letter agreement entered into with us, to vote their founder shares and any public shares held by them in favor of our initial business combination. Our sponsor, directors and officers 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 of common stock voted at such meeting, including the founder shares. As a result, our sponsor would have the ability approve any initial business combination without any public stockholders voting in favor of such initial business combination in order to have such initial business combination approved. Accordingly, if we seek stockholder approval of our initial business combination, the letter agreement by our sponsor, directors and officers to vote in favor of our initial business combination will allow us to obtain the requisite stockholder approval for such initial business combination. As a result of the Extension Redemptions, our sponsor currently owns a majority of, and possesses controlling voting power with respect to, our outstanding common stock, which will limit public stockholders' influence on corporate matters. As a result of the Extension Redemptions, our sponsor owns and is entitled to vote an aggregate of approximately 70. 3 % of our outstanding common stock, which represents a majority of outstanding common stock. As such, our sponsor has the ability to outright control our affairs through the election and removal of the entire board of directors and all other matters requiring stockholder approval, including a future business combination, merger or consolidation of the company, or a sale of all or substantially all of our assets. This concentrated control limits our public float and could discourage others from initiating any such potential merger, consolidation or sale or other change- of- control transaction that may otherwise be beneficial to our stockholders. Furthermore, this concentrated control will limit the practical effect of your participation in corporate matters, through stockholder votes and otherwise. In addition, our**

sponsor has agreed to vote its shares in favor of an initial business combination. These shares are sufficient to approve an initial business combination and all other proposals being presented at the relevant meeting. Accordingly, if and when we present an initial business to our stockholders for a vote, we expect to be able to obtain the necessary stockholder approval for such business combination and other proposals, even if our public stockholders vote against the business combination and such proposals. 24The Extension Redemptions and the future 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. Following the Extension Redemptions, approximately $ 43. 9 million remained in the trust account as of March 27, 2023. 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. Furthermore, in no event will we redeem our public shares in an amount that would cause our net tangible assets to be less than $ 5, 000, 001 following such redemptions, or any greater net tangible asset or cash requirement that may be contained in the agreement relating to our initial business combination. Consequently, if accepting all properly submitted redemption requests would cause our net tangible assets to be less than $ 5, 000, 001 or such greater 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 Extension Redemptions and the future ability of our public stockholders to exercise redemption rights with respect to our shares may not allow us to complete the most desirable business combination or optimize our capital structure. Following the Extension Redemptions, approximately $ 43. 9 million remained in the trust account as of March 27, 2023. At the time we enter into an agreement for our initial business combination, we will not know how many stockholders may exercise their redemption rights and, therefore, we will need to structure the transaction based on our expectations as to the number of shares that will be submitted for redemption. 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, 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 is 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 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. We have incurred, and expect to continue to incur, significant costs in pursuit of our acquisition plans, and 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. " We have incurred, and expect to continue to incur, significant costs in pursuit of our acquisition plans. As of March 24, 2023, we had $ 31, 944 in our operating bank account. As of December 31, 2022, we had negative working capital of $ 7, 089, 334, which was composed primarily of accrued expenses in connection with searching for target businesses, performing business due diligence and negotiating business combination agreements, including in connection with the Proposed Business Combination. The investigation of each specific target business and the negotiation, drafting and execution of relevant agreements, disclosure documents and other instruments require substantial management time and attention and substantial costs for accountants, attorneys and others. We have spent substantial time and attention and incurred significant costs in pursuing potential transactions that have not been completed and we may continue to do so. Such costs likely will 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 adversely affect subsequent attempts to locate and acquire or merge with another business. On March 29, 2022, we issued an unsecured promissory note to the sponsor, pursuant to which the sponsor may provide up to $ 1, 500, 000 to us as a working capital loan, of which $ 1, 500, 000 was outstanding as of the date of this Annual Report. On March 21, 2023, we issued an additional unsecured promissory note to the sponsor, pursuant to which the sponsor may provide up to $ 1, 190, 000 to us as a working capital loan, of which $ 734, 300 was outstanding as of the date of this Annual Report. In order to fund working capital deficiencies or finance transaction costs in connection with a business combination, our sponsor or an affiliate of our sponsor or certain of our officers and directors may, but are not obligated to, loan us additional funds as may be required. If we complete a business combination, we may repay such loaned amounts out of the proceeds of the trust account released to us. In the event that a 25business combination does not close, we may use a portion of the working capital held outside the trust account to repay such loaned amounts, but no proceeds from our trust account would be used for such repayment. Up to $ 1, 500, 000 of such loans may be convertible into warrants at a price of $ 1. 00 per warrant at the option of the lender, and such warrants would be identical to the private placement warrants. We may need to raise additional funds in order to meet the expenditures required for operating our business. However, if our estimate of the costs of identifying a target business, undertaking in- depth due diligence and negotiating our initial business combination are less than the actual amount necessary to do so, we may have insufficient funds available to operate our business prior to our initial business combination. Moreover, we may need to obtain additional financing to complete our initial business combination, in which case we may issue additional securities or incur debt in connection with such business combination. If we have not completed our initial business combination within the required time period because we do not have sufficient funds available to us, we will be forced to cease operations and liquidate the trust account. These factors, among others, raise substantial doubt about our ability to continue as a going concern. The financial statements contained elsewhere in this Annual Report do not include any adjustments that might result from our inability to continue as a going concern. Management' s plans to address this need are further discussed under " Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations. " Our plans to raise capital

and to consummate our initial business combination may not be successful. 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. We cannot assure you that we will meet the capital requirements for any particular transaction, including the Proposed Business Combination. Following the Extension Redemptions, approximately $ 43. 9 million remained in the trust account as of March 27, 2023. If the remaining funds in the trust account 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. 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 abandon that particular business combination and seek an alternative target business candidate. 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 directors, officers or stockholders is required to provide any financing to us in connection with or after our initial business combination. If we have not completed our initial business combination within the required time period, our public stockholders may receive only approximately $ 10. 00 per share, or less in certain circumstances, on the liquidation of our trust account, and our warrants will expire worthless. Our public stockholders may not be afforded an opportunity to vote on our proposed business combination, which means we may complete our initial business combination even though a majority of our public stockholders do not support such a combination. We may not hold a stockholder vote to approve our initial business combination unless the business combination would require stockholder approval under applicable law or stock exchange rules or if we decide to hold a stockholder vote for business or other reasons. For instance, Nasdaq rules currently allow us to engage in a tender offer in lieu of a stockholder meeting, but would still require us to obtain stockholder approval if we were seeking to issue more than 20 % of our issued and outstanding shares to a target business as consideration in any business combination. Therefore, if we were structuring a business combination that required us to issue more than 20 % of our issued and outstanding shares, we would seek stockholder approval of such business combination. However, except as required by applicable law or stock exchange rules, 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 consummate our initial business combination even if 26holders of a majority of the issued and outstanding shares of common stock do not approve of the business combination we consummate. If we seek stockholder approval of our initial business combination, our sponsor, directors, officers, advisors or any of their respective affiliates may elect to purchase shares or warrants from public stockholders, which may reduce the public " float " of our securities. If we seek stockholder approval of our initial business combination and we do not conduct redemptions in connection with our initial business combination pursuant to the tender offer rules, our sponsor, directors, officers, advisors or any of their respective affiliates may purchase public shares or warrants in privately negotiated transactions or in the open market either prior to or following the completion of our initial business combination. Any such price per share may be different than the amount per share a public stockholder would receive if it elected to redeem its shares in connection with our initial business combination. Additionally, at any time at or prior to our initial business combination, subject to applicable securities laws (including with respect to material nonpublic information), our sponsor, directors, officers, advisors or any of their respective affiliates may enter into transactions with investors and others to provide them with incentives to acquire public shares, vote their public shares in favor of our initial business combination or not redeem their public shares. However, our sponsor, directors, officers, advisors or any of their respective affiliates are under no obligation or duty to do so and 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. The purpose of such purchases could be to satisfy a closing condition in an agreement with a target that requires us to have a minimum net worth or a certain amount of cash at the closing of our initial business combination, where it appears that such requirement would otherwise not be met. The purpose of any such purchases of public warrants could be to reduce the number of public warrants outstanding or to vote such warrants on any matters submitted to the warrant holders for approval in connection with our initial business combination. This may result in the completion of our initial business combination that may not otherwise have been possible. In addition, if such purchases are made, the public " float " of our securities 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. Because of our limited resources and the significant competition for business combination opportunities, it may be more difficult for us to complete our initial business combination. If we have not completed our initial business combination within the required time period, our public stockholders may receive only approximately $ 10. 00 per share, or less in certain circumstances, on our redemption of their shares, and our warrants will expire worthless. We have encountered, and expect to continue to encounter, intense competition from other entities having a business objective similar to ours, including private investors (which may be individuals or investment partnerships), other blank check companies and other entities, domestic and international, competing for the types of businesses we intend to acquire. Many of these individuals and entities are well established and have 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 financial resources will be relatively limited when contrasted with those of many of these competitors. While we believe there are numerous target businesses we could potentially acquire

with the remaining proceeds of our initial public offering 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, in the event we seek stockholder approval of our initial business combination and we are obligated to pay cash for shares of our Class A common stock, it will potentially 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 our initial business combination. If we have not completed our initial business combination within the required time period, our public stockholders may receive only approximately $ 10. 00 per share, or less in certain circumstances, on the liquidation of our trust account and our warrants will expire worthless. 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. 00 per share " and other risk factors herein. 27If the funds not being held in the trust account are insufficient to allow us to operate until September 30, 2023 or such earlier date as determined by our board of directors, we may be unable to complete our initial business combination. As of March 24, 2023, we had available to us $ 31, 944 of cash held outside the trust account, which may not be sufficient to allow us to operate until September 30, 2023 or such earlier date as determined by our board of directors, assuming that our initial business combination is not completed before then. We have incurred, and expect to continue to incur, significant costs in pursuit of our acquisition plans. Management' s plans to address this need for capital through our initial public offering, a working capital loan from our sponsor and potential loans from certain of our affiliates are discussed in the section of this Annual Report titled " Management' s Discussion and Analysis of Financial Condition and Results of Operations. " However, our affiliates are not obligated to make additional loans to us in the future, and we may not be able to raise additional financing from unaffiliated parties necessary to fund our expenses. Any such event in the future may negatively impact the analysis regarding our ability to continue as a going concern at such time. Of the funds available to us, we could 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 have not completed our initial business combination within the required time period, our public stockholders may receive only approximately $ 10. 00 per share, or less in certain circumstances, on the liquidation of our trust account and our warrants will expire worthless. 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. 00 per share " and other risk factors herein. We may depend on loans from our sponsor or management team to fund our search, to pay our taxes and to complete our initial business combination. On March 29, 2022, we issued an unsecured promissory note to the sponsor, pursuant to which the sponsor may provide up to $ 1, 500, 000 to us as a working capital loan, of which $ 1, 500, 000 was outstanding as of the date of this Annual Report. On March 21, 2023, we issued an additional unsecured promissory note to the sponsor, pursuant to which the sponsor may provide up to $ 1, 190, 000 to us as a working capital loan, of which $ 734, 300 was outstanding as of the date of this Annual Report. 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 respective affiliates is under any obligation to loan funds to, or otherwise invest in, us in such circumstances. Any such loans may be repaid only from funds held outside the trust account or from funds released to us upon completion of our initial business combination. If we have not completed our initial business combination within the required time period because we do not have sufficient funds available to us, we will be forced to cease operations and liquidate the trust account. In such case, our public stockholders may receive only $ 10. 00 per share, or less in certain circumstances, and our warrants will expire worthless. 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. 00 per share " and other risk factors herein. We have no operating history and, accordingly you have no basis on which to evaluate our ability to achieve our business objective. We are a recently formed company with no operating results, and we will not commence operations until completing our initial business combination. 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 may be unable to complete our initial business combination. If we fail to complete our initial business combination, we will never generate any operating revenues. 28Your only opportunity to affect the investment decision regarding a potential business combination will be limited to the exercise of your right to redeem your shares from us for cash, unless we seek stockholder approval of such business combination. You will not be provided with an opportunity to evaluate the specific merits or risks of any target businesses. Additionally, since our board of directors 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 approval. Accordingly, if we do not seek stockholder approval, 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 requirement that we complete our initial business combination within the prescribed time frame 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, in particular as we approach our dissolution deadline, which could undermine our ability to complete our initial business combination on terms that would produce **products** 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 our initial business combination by September 30, 2023 or such earlier date as determined by our board of directors, including the Proposed Business Combination with Envoy. 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 September 30, 2023 or such earlier date as determined by our board of directors. 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. In evaluating a prospective target business for our initial business combination, our management may rely on the availability of the funds from the sale of securities under the Forward Purchase Agreements to be used as part of the consideration to the sellers in the initial business combination or for working capital in the post- transaction company. If the sale of some or all of the convertible notes or forward purchase securities fails to close, for any reason, we may lack sufficient funds to consummate our initial business combination. We have entered into Forward Purchase Agreements pursuant to which the Forward Purchasers have agreed, subject to certain conditions, to purchase from us up to an aggregate of $ 80. 0 million of unsecured convertible notes and $ 40. 0 million of forward purchase securities immediately prior to the closing of our initial business combination. The funds from these securities under the Forward Purchase Agreements may be used as part of the consideration to the sellers in our initial business combination, expenses in connection with our initial business combination or for working capital in the post- transaction company. Each Forward Purchase Agreement contains conditions to closing, including the approval of the Forward Purchasers' respective Investment Committees to consummate the purchase of the convertible notes and the forward purchase securities, as applicable, in connection with a potential future business combination. Such Investment Committees are under no obligation to ultimately agree to purchase the securities issuable under the Forward Purchase Agreements. In the event of any such failure to fund by the Forward Purchasers or any such closing condition is not satisfied and not waived by the Forward Purchaser, we may lack sufficient funds to consummate our initial business combination. The recent turmoil in the banking industry may negatively impact our business, results of operations and financial condition. Actual events involving limited liquidity, defaults, non- performance or other adverse developments that affect financial institutions, or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market- wide liquidity problems. Inflation and rapid increases in interest rates have led to a decline in the trading value of previously issued government securities with interest rates below current market interest rates. The U. S. Department of Treasury, FDIC and Federal Reserve Board have announced a program to provide up to $ 25 billion of loans to financial institutions secured by such government securities held by financial institutions to mitigate the risk of potential losses on the sale of such instruments. However, widespread demands for customer withdrawals or other needs of financial institutions for immediate liquidity may exceed the capacity of such program. There is no guarantee that the U. S. Department of Treasury, FDIC and Federal Reserve Board will provide access to uninsured funds in the future in the event of the closure of other banks or financial institutions in a timely fashion or at all. 29The ultimate outcome of these events, and whether further regulatory actions will be taken, cannot be predicted. The extent to which these events impact our search for and completion of a business combination with a target business will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning similarly situated financial institutions. In addition, investor concerns regarding the U. S. or international financial systems could impact our potential business targets as they may face a material decline in favorable commercial terms or available funding. This may make it more challenging for us to find a suitable target and complete a business combination. Further, our ability to consummate a business combination may be dependent on the ability to raise equity and debt financing, which may be impacted by these events. Our search for a business combination, and any target business with which we ultimately consummate a business combination, may be materially adversely affected by the COVID- 19 pandemic and other events and the status of debt and equity markets. The COVID- 19 pandemic has adversely affected, and other events (such as terrorist attacks, wars, natural disasters or a significant outbreak of other infectious diseases) could adversely affect, economies and financial markets worldwide, business operations and the conduct of commerce generally, and the business of any potential target business with which we consummate a business combination could be, or may already have been, materially and adversely affected. Furthermore, we may be unable to complete a business combination if concerns relating to COVID- 19 restrict travel, limit the ability to have meetings with potential investors or limit the ability to conduct due diligence, or the target company' s personnel, vendors and services providers are unavailable to negotiate and consummate a transaction in a timely manner. The extent to which COVID- 19 impacts our search for a business combination will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID- 19 and the actions to contain COVID- 19 or treat its impact, among others. If the disruptions posed by COVID- 19 or other events (such as terrorist attacks, wars, natural disasters or a significant outbreak of other infectious diseases) 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. In addition, our ability to consummate a transaction may be dependent on the ability to raise equity and debt financing which may be impacted by COVID- 19 and other events (such as terrorist attacks, wars, natural disasters or a significant outbreak of other infectious diseases), including as a result of increased market volatility and decreased market liquidity and third- party financing being unavailable on terms acceptable to us or at all. Finally, the COVID- 19 pandemic 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 and cross- border transactions. 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 the price of our securities, which could cause you to lose some or all of your

investment. Even if we conduct extensive due diligence on a target business with which we combine, including Envoy, we cannot assure you that this diligence will identify all material issues that may be present 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 **curtail** later write down or **cease** write off assets, restructure our operations, **in which case** or **our investors** incur impairment or other charges that could result in our reporting losses. Even if our due diligence successfully identifies certain risks, unexpected risks may **lose** arise and previously known risks may materialize in a manner not consistent with our preliminary risk analysis. Even though these -- **the full amount of** charges may be non- cash items and not have an immediate impact on our liquidity, the **their investment in** fact that we report charges of this nature could contribute to negative market perceptions about us or our securities . **Due** In addition, charges of this nature may cause us to violate net worth or other covenants to which we may be subject as a result of assuming pre- existing debt held by a target business or by virtue of our obtaining post- combination debt financing. Accordingly, any stockholder or warrant holder who chooses to remain a stockholder or warrant holder, respectively, following our initial business combination could suffer a reduction in the value of their securities. Such stockholders and warrant holders are unlikely to have a remedy for such reduction in value. 30The SEC has recently issued proposed rules relating to certain activities of SPACs. Certain of the procedures that we, a potential business combination target, or others may determine to undertake in connection with such proposals may increase our costs and the time needed to complete a business combination and may make it more difficult to complete a business combination. The need for compliance with the SPAC Rule Proposals may cause us to liquidate the funds in the trust account or liquidate the Company at an earlier time than we might otherwise choose. On March 30, 2022, the SEC issued proposed rules (the " SPAC Rule Proposals ") that would, among other items, impose additional disclosure requirements in business combination transactions involving special purpose acquisition companies (" SPACs ") and private operating companies; amend the financial statement requirements applicable to business combination transactions involving such companies; update and expand guidance regarding the general use of projections in SEC filings, as well as when projections are disclosed in connection with proposed business combination transactions; increase the potential liability of certain participants in proposed business combination transactions; and provide a safe harbor from registration under the Investment Company Act of 1940, as amended (the " Investment Company Act "), if certain conditions that limit a SPAC' s duration, asset composition, business purpose and activities are satisfied. The SPAC Rule Proposals have not yet been adopted and may be adopted in the proposed form or in a different form that could impose additional regulatory requirements on SPACs. Certain of the procedures that we, a potential business combination target, or others may determine to undertake in connection with the SPAC Rule Proposals, or pursuant to the SEC' s views expressed in the SPAC Rule Proposals, may increase the costs and time of negotiating and completing a business combination, and may make it more difficult to complete a business combination. The need for compliance with the SPAC Rule Proposals may cause us to liquidate the funds in the trust account or liquidate the Company at an earlier time than we might otherwise choose. If we were to liquidate the securities held in the trust account and thereafter to hold all funds in the trust account in cash, it would reduce the dollar amount our public stockholders would receive upon any redemption or liquidation of the Company. In the event of our liquidation, our warrants would expire worthless, and our securityholders would lose the opportunity to invest in a successor operating business following a business combination, including the potential appreciation in the value of our securities following such a transaction. If we are deemed to be an investment company for purposes of the Investment Company Act, we would be required to institute burdensome compliance requirements and our activities would be severely restricted and, as a result, we may abandon our efforts to consummate a business combination and liquidate the Company. As described above, the SPAC Rule Proposals relate, among other matters, to the circumstances in which SPACs such as Anzu could potentially be subject to the Investment Company Act and the regulations thereunder. The SPAC Rule Proposals would 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, including a limited time period to announce and complete a business combination. Specifically, to comply with the safe harbor, the SPAC Rule Proposals would require a company to file a report on Form 8- K announcing that it has entered into an agreement with a target company for a business combination no later than 18 months after the effective date of its registration statement for its initial public offering (the " IPO Registration Statement "). The company would then **the** be required to complete a business combination no later than 24 months after the effective date of the IPO Registration Statement. There is currently uncertainty concerning the applicability of the Investment Company Act to a SPAC, including a company like ours, in certain circumstances. To mitigate the risk of us being deemed to be an investment company under the Investment Company Act, we could liquidate the investments in the trust account and hold all funds in the trust account in cash. However, we intend, until the earlier of (a) the consummation of the business combination and (b) the liquidation of the trust account, to continue to maintain the trust account funds in cash equivalents, which currently consist of United States government securities and government money market funds registered under the Investment Company Act. It is possible that a claim could be made that we have been operating as an unregistered investment company. For so long as the trust account funds are held in cash equivalents as described above, the risk that we may be considered an unregistered investment company is greater than that of a SPAC that has elected to liquidate such investments and to hold all funds in its trust account in cash. If we are deemed to be an investment company and subject to compliance with and registration under the Investment Company Act, our activities would be severely restricted. In addition, we would be subject to additional burdensome regulatory requirements and expenses for which we have not allotted funds. As a result, if we are deemed an investment company under the Investment Company Act, we may abandon our efforts to consummate a business combination and instead liquidate the Company. In the event of our liquidation, our warrants would expire worthless, and our securityholders would lose the opportunity to invest in a successor operating 31business following a business combination, including the potential appreciation in the value of our securities following such a transaction. If we are deemed to be an investment company, there is also a risk of an enforcement action

brought by the SEC, and contracts pertaining to the business combination could potentially be voidable. A new 1 % U. S. federal excise tax could be imposed on us in connection with redemptions or repurchases by us of our shares. On August 16, 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 of stock by publicly traded U. S. domestic corporations, such as ourselves, and certain U. S. domestic subsidiaries of publicly traded foreign corporations occurring on or after January 1, 2023. The amount of the excise tax is generally 1 % of the fair market value of the shares repurchased at the time of the repurchase. In the case of stock that is traded on an established securities market, such as our Class A common stock, the fair market value of the stock for purpose of calculating the excise tax is the market price of the stock (as determined under any permissible method chosen by the repurchasing corporation) on the date the stock is repurchased. In addition, for purposes of calculating the excise tax, repurchasing corporations are permitted to net the fair market value of certain new stock issuances against the fair market value of stock 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. The excise tax is imposed on the repurchasing corporation itself, not its shareholders from which the shares are repurchased. In February 2023, we signed an agreement with a rated insurance agency to cover any federal excise tax liability imposed under the IR Act in connection with redemptions of shares of our Class A common stock only in the event of a liquidation of the Company in calendar year 2023. On December 27, 2022, the Treasury issued guidance announcing its intention to issue proposed regulations that would, in certain circumstances, exempt share repurchases or redemptions by corporations from the excise tax. In particular, the proposed regulations generally would exempt from the excise tax redemptions of stock in connection with certain corporate liquidating distributions and redemptions of stock that occur in the same taxable year as those corporate liquidating distributions. However, until final regulations are promulgated, no assurances can be given as to the scope and ultimate application of any exceptions to the excise tax. Any redemption or other repurchase that occurs after December 31, 2022, in connection with a business combination, extension vote or otherwise, may be subject to the excise tax. Whether and to what extent the Company would be subject to the excise tax in connection with a business combination, extension vote or otherwise would depend on a number of factors, including (i) the fair market value of the redemptions and repurchases in connection with the business combination, extension or otherwise, (ii) the structure of a business combination, (iii) the nature and amount of any " PIPE " or other equity issuances in connection with a business combination (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 guidance from the Treasury. 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, our business combination may be contingent on our ability to comply with certain laws and regulations and any post- business combination company may be subject to additional laws and regulations. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly. Those laws and regulations and their interpretation and application also may change from time to time, including as a result of changes in economic, political, social and government policies, and those changes could have a material adverse effect on our business, including our ability to negotiate and complete our initial business combination, and results of operations. In addition, a failure to comply with applicable laws or regulations, 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. Because we are not limited to a particular industry or any specific target businesses with which to pursue our initial business combination, you will be unable to ascertain the merits or risks of any particular target business' s operations. In the event that the Proposed Business Combination with Envoy is not consummated, we expect to focus our search for a target business by concentrating our efforts in identifying high- quality businesses with transformative technologies, but we may seek to complete a business combination with an operating company of any size (subject to our satisfaction of the 80 % of net assets test) 32and in any industry, sector or geographic area. However, we will not, under our amended and restated certificate of incorporation, be permitted to effectuate our initial business combination solely with another blank check company or similar company with nominal operations. There may be limited basis to evaluate the possible merits or risks of any particular target business' s operations, results of operations, cash flows, liquidity, financial condition or prospects. To the extent we complete our initial business combination, we may be affected by numerous risks inherent **and uncertainties involved** in **product development, it is difficult to predict** the **timing** business operations with which we combine. For **or** example **amount of increased expenses** , **or when, or** if we combine with a financially unstable business or an entity lacking an established record of sales or earnings , we may be affected by the risks inherent in the business and operations of a financially unstable or development stage entity. Although our directors and officers will endeavor to evaluate the risks inherent in a particular target business, we cannot assure you that we will properly ascertain or assess all of the significant risk factors or that we will have adequate time to complete due diligence. Furthermore, some of these risks may be 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. We also cannot assure you that an investment in our units will not ultimately prove to be less favorable to our investors than a direct investment, if such opportunity were available, in a business combination target. Accordingly, any stockholder or warrant holder who chooses to remain a stockholder or warrant holder, respectively, following our initial business combination could suffer a reduction in the value of their securities. Such stockholders and warrant holders are unlikely to have a remedy for such reduction in value. Past performance by our management team and their respective affiliates may not be indicative of future performance of an investment in the company. Information regarding performance by our management team and their respective affiliates, including Anzu Partners, is presented for informational purposes only. Past performance by our management team and their respective affiliates is not a guarantee either (1) that we will be able to **achieve** identify a suitable candidate for **or**

maintain profitability. If the Acclaim CI contains design ~~our~~ **or** ~~initial~~ **manufacturing defects, our** business ~~combination or (2) of success with respect to any business combination we may consummate. You should not rely on the historical record of our management team or their affiliates or any related investment's performance as indicative of our future performance of an~~ **and financial results could** ~~investment in the company or the returns the company will, or is likely to, generate going forward. We may seek acquisition opportunities outside our target industries, which may~~ be **harmed** ~~outside of our management's areas of expertise~~. **To date** ~~Although we intend to target a business combination with one or more businesses with transformative technologies~~, ~~we may consider a business combination outside of our target focus, which may be outside of our management's areas 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, we may pursue it. 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 Annual 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 relevant to such acquisition. Accordingly, any stockholder or warrant holder who chooses to remain a stockholder or warrant holder, respectively, following our initial business combination could suffer a reduction in the value of their securities. Such stockholders and warrant holders are unlikely to have a remedy for such reduction in value. Although~~ we have **completed** ~~identified general criteria and guidelines that we believe are important in evaluating prospective target businesses, we may enter into our~~ initial **patient implants of the Acclaim CI** ~~business combination with a target that does not meet such criteria and guidelines, and~~ as **part of** ~~a result, the target business with which we enter into~~ our ~~initial business combination may~~ **early feasibility study. As the Acclaim CI has** ~~not~~ **no history of commercial operation,** ~~have attributes entirely consistent with our general criteria and guidelines. Although~~ we have ~~identified general criteria and guidelines for evaluating prospective target businesses, it is possible that~~ a ~~target business with~~ **limited frame of reference from** which ~~we enter into our initial business combination will not have all of these positive attributes. If we complete our initial business combination with a target that does not meet some or all of these criteria and 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 applicable law or stock exchange listing requirements, or we decide to obtain stockholder approval for business or other 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 have not completed our initial business combination within the 33required time period, our public stockholders may receive only approximately $ 10. 00 per share, or less in certain circumstances, on the liquidation of our trust account and our warrants will expire worthless. We may seek acquisition opportunities with an early stage company, a financially unstable business or an entity lacking an established record of revenue or earnings. 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 sales or earnings, we may be affected by numerous risks inherent in the operations of the business with which we combine. These risks include investing in a business without a proven business model and with limited historical financial data, volatile revenues or earnings, intense competition and difficulties in obtaining and retaining key personnel. Although our directors and officers will endeavor~~ to evaluate ~~the risks inherent in a particular target business, we may not be able to properly ascertain or assess all of the significant risk factors and we may not have adequate time to complete due diligence. Furthermore, some of these risks may be 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. We are not required to obtain an opinion regarding fairness. Consequently, you may have no assurance from an independent source that the price we are paying for the business is~~ **its long** ~~fair to our company 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 that the price we are paying is fair to our company from a financial point of view. If no opinion is obtained, our stockholders will be relying on the judgment of our board of directors, who will determine fair market value based on standards generally accepted by the financial community. Such standards used will be disclosed in our tender offer documents or proxy solicitation materials, as applicable, related to our initial business combination. Our ability to successfully effect our initial business combination and to be successful thereafter will be dependent upon the efforts of our key personnel, some of whom may join us following our initial business combination. The loss of our or a target's 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. Our key personnel may or may not remain with the target. Although some of our key personnel may remain with the target business in senior management, board 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~~ - **term performance** ~~become familiar with such requirements. In addition, the directors and officers of an acquisition candidate may resign upon completion of our initial business combination. The departure 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. The loss of key personnel could~~

~~negatively impact the operations and profitability of our post- combination business. We may have 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' s management, therefore, may prove to be incorrect and such management may lack the skills, qualifications or abilities we suspected. Should the target' 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 stockholder or warrant holder who chooses to remain a stockholder or warrant holder, respectively, following our initial business 34combination could suffer a reduction in the value of their securities. Such stockholders and warrant holders are unlikely to have a remedy for such reduction in value. The directors and officers of an acquisition candidate may resign upon completion of our initial business combination. The departure 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. We may be able to complete only one business combination with the remaining proceeds of our initial public offering and the sale of the private placement warrants, which will cause us to be solely dependent on a single business which may have a limited number of products or services. This lack of diversification may negatively impact our operations and profitability. Following the Extension Redemptions, approximately $ 43. 9 million remained in the trust account as of March 27, 2023. We have entered into Forward Purchase Agreements providing for the purchase of up to an aggregate of $ 80, 000, 000 of unsecured convertible notes and up to an aggregate of $ 40, 000, 000 of forward purchase securities, in private placements to occur concurrently with the closing of our initial business combination. The unsecured convertible notes and forward purchase securities will be issued only in connection with the closing of the initial business combination. The proceeds from the sale of the unsecured convertible notes and forward purchase securities may be used as part of the consideration to the sellers in our initial business combination, expenses in connection with our initial business combination or for working capital in the post- transaction company~~ . There can be no assurance that **we will be able to detect and fix any defects in** the ~~purchase of the unsecured convertible~~ **Acclaim CI in time to maintain our FDA trial schedule. Once we have commenced with implantation in additional patients, we may discover latent defects in design, manufacture or construction that may cause our systems** ~~notes --~~ **not to perform as expected or to cause side effects. The Acclaim CI also requires software to operate, which may need to be modified** and ~~forward purchase~~ **updated over time. There can be no assurance that we will be able to detect and fix any defects in the hardware or software of the Acclaim CI on the timescale necessary to maintain our clinical trial schedule, or at all. Further, such defects may not become apparent until our systems are implanted in patients and may cause adverse effects that cause harm to patients and require redesign of the Acclaim CI, which may result in great expense, harm to our reputation, and harm to our results of operations, financial condition, and the trading price of the Class A Common Stock. We expect that we will need to raise substantial additional funding, which may not be available on acceptable terms, or at all. Failure to obtain funding on acceptable terms and on a timely basis may require us to curtail, delay or discontinue our product development efforts or other operations. The expenses we were obligated to pay in relation to the Business Combination were substantial. As result, we will require substantial additional capital to commercialize the Acclaim CI. In addition, our operating plans may change as a result of many factors that may currently be unknown to us, and we may need to seek additional funds sooner than planned. Our future funding requirements will depend on many factors, including but not limited to: ● the progress, results and costs of our planned studies and pivotal clinical trials; ● the cost, timing and outcomes of regulatory review of the Acclaim CI; ● the scope, progress, results and costs of product development, testing, manufacturing, preclinical development and, if applicable, clinical trials for any other product candidates that we may develop or otherwise obtain in the future; ● the costs of manufacturing the Acclaim CI, including costs related to engaging third- party manufacturers therefor; ● the cost of our future activities, including establishing sales, marketing and distribution capabilities for any product or product candidates in any particular geography where we receive marketing approval for such product candidates; ● the terms and timing of any collaborative, licensing and other arrangements that we may establish; ● the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property- related claims; and ● the level of revenue, if any, received from commercial sales of any product candidates for which we receive marketing approval. Any additional fundraising efforts may divert our management from their day- to- day activities, which may adversely affect our ability to develop and commercialize the Acclaim CI. In addition, we cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. Moreover, the terms of any financing may adversely affect the holdings or the rights of holders of our** securities ~~will close~~ **and the issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the value of our securities to decline. The incurrence of indebtedness could result in increased fixed payment obligations, and we may be required to agree to certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. If we are unable to obtain funding on a timely basis, we may be required to significantly curtail, delay or discontinue our research and development program or the development or commercialization, if any, of the Acclaim CI or be unable to expand our operations or otherwise capitalize on our business opportunities, as desired, which could materially and adversely affect our business,**

financial condition, results of operations and value of our securities. Raising additional capital would cause dilution to our existing stockholders, and may adversely affect the rights of existing stockholders . We may ~~effectuate~~ **seek additional capital through a combination of private and public equity offerings, debt financings and collaborations, and strategic and licensing arrangements. To the extent that we raise additional capital through the issuance of equity or otherwise, including through additional preferred stock or convertible debt securities,** ~~our~~ **your** ~~initial~~ **ownership interest will be diluted, and the terms may include liquidation or other preferences that adversely affect your rights as a stockholder. Future sales of our Class A Common Stock or of securities convertible into our Class A Common Stock, or the perception that such sales may occur, could cause immediate dilution and adversely affect the value of our Class A Common Stock. Failure of a key information technology system, process or site could have an adverse effect on our** business ~~combination~~ **. We rely extensively on information technology systems to conduct our business. These systems affect, among other things, ordering and managing materials from suppliers, summarizing and reporting results of operations, complying** with **regulatory, legal or tax requirements, data security and other processes necessary to manage our business. Our information technology systems and those of our third- party service providers, vendors, strategic partners and other contractors or consultants are vulnerable to damage or interruption from computer viruses and malware (e. g., ransomware), natural disasters, terrorism, war, telecommunication and electrical failures, hacking, cyberattacks, phishing attacks and other social engineering schemes, malicious code, employee theft or misuse, human error, fraud, denial or degradation of service attacks, sophisticated nation- state and nation- state- supported actors or unauthorized access or use by persons inside our organization, or persons with access to systems inside our organization. The risk of** a ~~single~~ **security breach or disruption, particularly through cyberattacks or cyber intrusion, including by computer hackers, foreign governments and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased and evolved. As a result of the COVID- 19 pandemic, we and our third- party service providers and partners may also face increased cybersecurity risks due to our reliance on internet technology and the number of our employees who are working remotely, which may create additional opportunities for cybercriminals to exploit vulnerabilities. Although we have implemented cybersecurity protections to safeguard our data, including our patient and subject data, we can provide no assurances that these protections will prevent all cybersecurity breaches. We primarily use common off- the- shelf software systems, such as Microsoft 365, which receive frequent security updates from the software providers. We also utilize a third- party vendor to maintain our IT system networks, and as a result of limited internal IT resources, we are only able to perform limited due diligence on our third- party IT vendors. We receive periodic security monitoring from our cybersecurity insurance provider. However, because the techniques used to obtain unauthorized access to, or to sabotage, systems change frequently and often are not recognized until launched against a** target **, we may be unable to anticipate these techniques or implement adequate preventative measures. We may experience security breaches that may remain undetected for an extended period. Even if identified, we may be unable to adequately investigate or remediate incidents or breaches due to attackers increasingly using tools and techniques that are designed to circumvent controls, to avoid detection, and to remove or obfuscate forensic evidence. Our third- party service providers and partners are also subject to these heightened risks. If our systems are damaged or cease to function properly due to any number of causes, ranging from catastrophic events to power outages to security breaches, and our** business **continuity plans do not effectively compensate on a timely basis, we may experience interruptions in** ~~or~~ **our** ~~multiple target~~ **operations, which could have an adverse effect on our** ~~businesses --~~ **business** ~~simultaneously~~ **. We and certain of** ~~or~~ **our service providers are from** ~~within a short period of~~ time **to time subject to cyberattacks and security incidents. While we do not believe that we have experienced any significant system failure, accident or security breach to date, if such an event were to occur, it could lead to unauthorized access, disclosure and use of non- public information, including information from the patient information we create, receive, maintain or transmit, which are governed by HIPAA and other laws. Any such access, disclosure, or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, and damage to our reputation, which would, in turn, materially and adversely affect our results of operations, financial condition, liquidity, and the value of our securities. Unfavorable global economic conditions could adversely affect our business, financial condition or results of operations. Our results of operations could be adversely affected by general conditions in the global economy and in the global financial markets. The global financial crisis caused extreme volatility and disruptions in the capital and credit markets. Factors such as geopolitical events (including the ongoing war in Ukraine and the military conflict in Israel and Gaza), inflationary pressures, impacts from the COVID- 19 pandemic, and the U. S. election cycles have contributed to this volatility. Recently, among other effects, volatile economic conditions have caused high levels of inflation, increases in interest rates by central banks with the intent of slowing inflation, and a reduction of available capital following increased interest rates. These global economic conditions could result in a variety of risks to our business, including difficulty in raising funding from capital markets and increased interest rates on loans used to finance our business. Such impacts would materially and adversely affect our financial condition, liquidity and the value of our securities. Our primary exposures to inflationary pressures to date have been through increases in the market cost of employee compensation, third- party vendor pricing, and component procurement. In particular, since 2022, we have had to increase employee salaries and benefits to aid employee retention and to compete for new employees. If labor costs in our market continue to rise, we expect we will need to continue to increase our compensation levels. We have also seen an increase in pricing from third- party vendors such as advisors, attorneys, and consultants. The per part pricing of components has also increased, and, in many instances, without advanced warning. If we increase production of the Acclaim CI for clinical trials and, if the Acclaim CI obtains FDA approval, eventual commercialization, we will also**

have greater exposure to rising costs of components if inflation rates remain high. These increases in expenses could materially and adversely affect our financial condition, liquidity and the trading price of our securities. Recent increases in interest rates may also affect our ability to finance the continued development of the Acclaim CI, the cost of FDA trials, and additional costs of commercializing the Acclaim CI. In recent years, we have financed our operations through convertible loans from a related party, which we believe to have been favorable to us at below market interest rates . However **, we expect that loans on such favorable terms will no longer be available to us now that the Business Combination has been consummated, and increased interest rates would make borrowing more expensive and may reduce the availability of equity financing. Our inability to raise additional funds on favorable terms, or at all, would materially and adversely affect our results of operations, financial condition, liquidity, the trading price of our securities, and our growth prospects. If we are able to proceed to FDA trials for the Acclaim CI and, if the Acclaim CI obtains FDA approval and eventual commercialization, we may be exposed to the risk of supply chain disruptions from events such as the COVID- 19 pandemic, the ongoing war in Ukraine and the military conflict in Israel and Gaza, and other global, national, regional, and local events that cannot yet be predicted. Supply constraints resulting from such events may also cause or exacerbate inflation. If such events prevent us from obtaining necessary components for production of Acclaim CI devices, or substantially raise the prices for such components, we may be delayed in the FDA trial process, or we may be unable to produce sufficient Acclaim CI devices to meet demand, which would materially and adversely affect our results of operations and financial condition. We have identified material weaknesses in our internal control over financial reporting. If we are unable to remediate these material weaknesses, or if we identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal control over financial reporting** , we may not be able to ~~effectuate~~ **accurately** ~~our~~ **or** ~~initial business combination with more than one target business because of various factors, including the remaining trust account balance, the existence of complex accounting issues and the requirement that we prepare and file financial statements with the SEC. By completing our initial business combination with only a single entity our lack of diversification may subject us to numerous economic, competitive and regulatory risks. 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 investigations (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. 35We 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 such as Envoy. 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 management may not be able to maintain control of a target business after our initial business combination. We cannot provide assurance that, upon loss of control of a target business, new management will 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 complete such business combination only if the post- transaction company owns or acquires 50 % or more of the issued and outstanding voting securities of the target or otherwise acquires a controlling interest in the target business 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 our initial business combination transaction. For example, we could pursue a transaction in which we issue a substantial number of new shares of common stock in exchange for all of the issued and outstanding capital stock, shares or other equity securities of a target, or issue a substantial number of new shares to third- parties in connection with financing our initial business combination. 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 common stock, our stockholders immediately prior to such transaction could own less than a majority of our issued and outstanding shares of 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 our control of the target business. 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 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, or U. S. GAAP, or international financial reporting standards as issued by the International Accounting Standards Board, or 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), or 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 financial statements in time **timely** for us to disclose such financial 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 our initial 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 for the year ending December 31, 2022. Only in the event we are deemed to be a large accelerated filer or **our** an accelerated filer, and no longer qualify as an emerging growth company, will we be required to comply with the 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 of the Sarbanes- Oxley Act particularly burdensome on us as compared to other 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 36the 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. If our management team pursues a 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 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 our management team pursues 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 market, 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 how relevant governments respond to such factors), including any of the following: ● costs and difficulties inherent in managing cross- border business operations and complying with commercial and legal requirements of overseas markets; ● rules and regulations regarding currency redemption; ● complex corporate withholding taxes on individuals; ● laws governing the manner in which future business combinations may be effected; ● tariffs and trade barriers; ● regulations related to customs and import / export matters; ● longer payment cycles; ● tax consequences, such as tax law changes, including termination or reduction of tax and other incentives that the applicable government provides to domestic companies, and variations in tax laws as compared to the United States; ● currency fluctuations and exchange controls, including devaluations and other exchange rate movements; ● rates of inflation, price instability and interest rate fluctuations; ● liquidity of domestic capital and lending markets; ● challenges in collecting accounts receivable; ● cultural and language differences; ● employment regulations; ● energy shortages; ● crime, strikes, riots, civil disturbances, terrorist attacks, natural disasters, wars and other forms of social instability; 37 ● deterioration of political relations with the United States; ● obligatory military service by personnel; 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 combination or, if we complete such combination, our operations might suffer, either of which may adversely impact our results of operations and financial condition . If our - **or results** management following our initial business combination is unfamiliar with U. S. securities laws, they may have to expend time and resources becoming familiar with such laws, which could lead to various regulatory issues. Following our initial business combination, any or all of our management could resign from their positions as officers of the company, and the management of the target business at the time of the business combination could remain in place. Management of the target business may not be familiar with U. S. securities laws. If new management is unfamiliar with U. S. securities laws, they may have to expend time and resources becoming familiar with such laws. This could be expensive and time- consuming and could lead to various regulatory issues which may adversely affect our operations . After our initial business combination, our results of operations and prospects could be subject, to a significant extent, to the economic, political, social and government policies, developments and conditions in the country in which we operate. The economic, political and social conditions, as well as government policies, of the country in which our operations are located could affect our business. Economic growth could be uneven, both geographically and among various sectors of the economy and such growth may not be sustained in the future. If in the future such country' s economy experiences a downturn or grows at a slower rate than expected, there may be less demand for spending in certain industries. A decrease in demand for spending in certain industries could materially and adversely affect our ability to find an attractive target business with which to consummate our initial business combination and if we effect our initial business combination, the ability of that target business to become profitable. We may face risks related to companies in our target industries. If we are successful in completing a business combination with a target business in the technology sector, we may be subject to, and possibly adversely affected by, the following risks: ● an inability to compete effectively in a highly competitive environment with many incumbents having substantially greater resources; ● an inability to manage rapid change, increasing expectations and growth; ● a reliance on proprietary technology to provide services

and to manage our operations, and the failure of this technology to operate effectively, or our failure to use such technology effectively; ● an inability to deal with our subscribers' or customers' privacy concerns; ● an inability to attract and retain subscribers or customers; ● an inability to license or enforce intellectual property rights on which our business may depend; ● any significant disruption in our computer systems or those of third parties that we would utilize in our operations; ● an inability by us, or a refusal by third parties, to license content to us upon acceptable terms; 38 ● potential liability for negligence, copyright, or trademark infringement or other claims based on the nature and content of materials that we may distribute; ● competition for advertising revenue; ● disruption or failure of our networks, systems or technology as a result of computer viruses, " cyber- attacks, " misappropriation of data or other malfeasance, as well as outages, natural disasters, terrorist attacks, accidental releases of information or similar events; ● an inability to obtain necessary hardware, software and operational support; and ● reliance on third- party vendors or service providers. Any of the foregoing could have an adverse impact on our operations following a business combination. However, our efforts in identifying prospective target businesses will not be limited to businesses with transformative technologies. Accordingly, if we acquire a target business in another industry, these risks we will be subject to risks attendant with the specific industry in which we operate or target business which we acquire, which may or may not be different than those risks listed above. 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 consummate an initial business combination on terms favorable to our investors. We identified a material weakness in our internal control over financial reporting. If we are unable to maintain an effective system of 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 **the value of** materially and adversely affect our **common stock** business and operating results . As described in Part II **a privately held company** , Item 9A " Controls and Procedures, " we identified a material weakness in **were not required to evaluate** our internal control over financial reporting related **in a manner that meets the standards of publicly traded companies required by Section 404 (a) of the Sarbanes- Oxley Act. As a public company, we are required** to **provide management' s attestation on internal control over financial reporting. If we are unable to establish or maintain appropriate internal control over financial reporting or implement** the **these** interpretation **additional requirements in a timely manner or with adequate compliance, it could result in material misstatements in our consolidated financial statements, failure to meet our reporting obligations on a timely basis, increases in compliance costs,** and accounting **subject us to adverse regulatory consequences, all of which may adversely affect investor confidence in us and the value of our Class A Common Stock. In connection with the preparation and audit of our consolidated financial statements as of and** for extinguishment of a significant contingent obligation **the years ended December 31, 2023, 2022 and 2021, material weaknesses were identified in our internal control over financial reporting** . A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented , or detected and corrected on a timely basis. Effective internal **The following material weaknesses were identified: ● We do not maintain a sufficient complement of personnel with accounting knowledge, experience and training to appropriately analyze, record and disclose certain accounting matters to provide reasonable assurance of preventing material misstatements. ● Our management does not implement a formal risk assessment that addresses risks relevant to financial reporting objectives, including cybersecurity and fraud risks. ● We have not designed, documented and maintained formal accounting policies, procedures and** controls **over significant accounts and disclosures to achieve complete, accurate and timely financial accounting, reporting and disclosures, including segregation of duties and adequate controls related to the preparation, posting, modification and review of journal entries. ● We have not designed and maintained effective controls around the interpretation and accounting treatment of the valuation of a material liability and the forward purchase agreement. ● We have not designed and maintained effective controls over certain information technology general controls for information systems that** are **relevant** necessary for us to provide reliable financial reports and prevent fraud. While we have processes to identify and appropriately apply applicable accounting requirements, we plan to continue to enhance our system of evaluating and implementing the **preparation of** accounting standards that apply to our **consolidated** financial statements, including through enhanced analyses by our **ineffective controls around user access and segregation of duties. The material weaknesses related to the insufficient complement of** personnel and third- party professionals **formal accounting policies, and the lack of procedures and controls resulted in adjustments to several accounts and disclosures. The information technology deficiencies did not result in a material misstatement to the consolidated financial statements; however, the deficiencies, when aggregated, could result in potential misstatements that would not be**

prevented or detected. Each of these material weaknesses could result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected. We have begun implementation of a plan to remediate these material weaknesses. These remediation measures are ongoing and include the following steps: ● hiring additional accounting and financial reporting personnel with **appropriate technical** ~~whom we consult regarding complex~~ accounting ~~applications. The elements~~ **knowledge and public company experience in financial reporting; ● designing and implementing effective processes and controls over significant accounts and disclosure; ● designing and implementing security management and change management controls over information technology systems, including adjusting user access levels and implementing external logging** of ~~our~~ **activity and periodic review of such logs; and ● engaging an accounting advisory firm to assist with the documentation, evaluation,** remediation ~~plan can only be accomplished over time, and we can offer no assurance that these initiatives will 39ultimately have the intended effects. If we are unable to maintain an~~ **and testing** ~~effective system~~ of **our** internal control over financial reporting **based on the criteria established in ‘ ‘ Internal Control — Integrated Framework’’ issued by the Committee of Sponsoring Organizations of the Treadway Commission. While we are designing and implementing measures to remediate our existing material weaknesses, we cannot predict the success of such measures or the outcome of its assessment of these measures at this time. Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business, personnel, information technology systems and applications, or other factors. If we fail to remediate our existing material weaknesses or identify new material weaknesses in our internal control over financial reporting, if we are unable to comply with the requirements of Section 404 of the Sarbanes- Oxley Act in a timely manner, or if we are unable to conclude that our internal control over financial reporting is effective, it is possible that a material misstatement of our financial statements would not be prevented or detected on a timely basis, investors may lose confidence in the accuracy and completeness of our financial reports, and the value of our securities could be materially and adversely affected. Our financial statements contain an explanatory paragraph regarding substantial doubt about our ability to continue as a going concern, which could prevent us from obtaining new financing on reasonable terms or at all. As described in our accompanying financial statements, our audited financial statements as of December 31, 2023 contain an explanatory paragraph regarding substantial doubt about our ability to continue as a going concern. This going concern opinion could materially limit our ability to raise additional funds through the issuance of equity or debt securities or otherwise. Future financial statements may include an explanatory paragraph with respect to our ability to continue as a going concern. Until we can generate significant recurring revenues, we expect to satisfy our future cash needs through debt or equity financing. We cannot be certain that additional funding will be available to us on acceptable terms, if at all. If funds are not available, we may be required to delay, reduce the scope of, or eliminate research or development plans for, or commercialization efforts with respect to our products. This may raise substantial doubts about our ability to continue as a going concern. We are a development- stage company and are subject to all of the risks inherent in the establishment of a new product. We may not receive, or may be delayed in receiving, the necessary approval or clearance for the Acclaim CI. Furthermore, even if our technology receives the necessary regulatory approvals and becomes commercially viable, our business models may not generate sufficient revenue necessary to support our business. If we are unable to address any issues mentioned above, or encounter other problems, expenses, difficulties, complications, and delays in connection with the establishment and expansion of our business, our entire business may fail, in which case you may lose part of, or your entire investment. We have a history of net losses and negative cash flow from operations since our inception and we expect such losses and negative cash flows from operations to continue in the foreseeable future. We anticipate our losses will continue to increase from current levels because we expect to incur additional costs related to developing our business, including research and development costs, manufacturing costs, employee- related costs, costs of complying with government regulations, intellectual property development and prosecution costs, marketing and promotion costs, capital expenditures, general and administrative expenses, and costs associated with operating as a public company. Our ability to generate revenue from our operations and, ultimately, achieve profitability will depend on, among other factors, whether we can complete the development and commercialization of our product candidate, whether we can manufacture the Acclaim CI on a commercial scale in such amounts and at such costs as we anticipate, and whether we can achieve market acceptance of our products, services and business models. We may never generate any revenue or operate on a profitable basis. Even if we achieve profitability** , we may not be able to ~~accurately report~~ **sustain it. If we are unable to achieve sustainable profitability,** our financial **condition and the price of our securities will be materially and adversely affected. Clinical failure can occur at any stage of clinical development. Our clinical experience to date does not necessarily predict future** results **and may not have revealed certain potential limitations of the technology or potential complications from the Acclaim CI and may require further clinical validation. Any product version we advance through clinical trials may not have favorable results in later clinical trials or receive regulatory approval. Clinical failure can occur at any stage of clinical development. We are currently in the process of the early feasibility study for the Acclaim CI, and we submitted our IDE for approval in Q1 of 2024 with approval anticipated by end of Q2 2024 or beginning of Q3 2024. As we have limited clinical experience, our ability to identify potential problems and / or inefficiencies concerning current and future versions of the Acclaim CI in advance of its use in general and expanded groups of patients may be limited, and we cannot assure you that actual clinical performances will be satisfactory to support proposed indications and regulatory approvals and clinical acceptance and adoption, or that its use will not result in unanticipated complications. If the results of our feasibility study are not satisfactory, our U. S. pivotal study could be delayed or may not occur. Furthermore, there can be no assurance that the implementation of our plan will be successful. In addition, the results of our clinical trials are subject to human analyses and interpretation of the data accumulated, which could be affected by**

various errors due to, among other factors, lack of sufficient clinical experience with the Acclaim CI, assumptions used in the statistical analysis of results, interpretation errors in the analysis of the clinical trials results, or uncertainty in the actual efficacy of the Acclaim CI in its current clinical stage. Therefore, the safety and efficacy of the Acclaim CI and the clinical results to date will require further independent professional validation and clinical study. If the Acclaim CI does not function as expected over time, we may not be able to develop the Acclaim CI at the rate or to the stage we desire, we could be subject to liability claims, our reputation may be harmed, the Acclaim CI may not achieve regulatory clearances, and the Acclaim CI may not be widely adopted by healthcare providers and patients. If the Acclaim CI is not widely adopted, our business, financial condition, and results of operations will be materially and adversely affected. The successful commercialization of the Acclaim CI, if it receives FDA approval, will depend in part on the extent to which governmental authorities and health insurers establish coverage, adequate reimbursement levels and favorable pricing policies. Failure to obtain or maintain coverage and adequate reimbursement for our product candidates could limit our ability to market those products and decrease our ability to generate revenue. The availability of coverage and the adequacy of reimbursement by governmental healthcare programs such as Medicare and Medicaid, private health insurers and other third- party payors will be essential for most patients to be able to afford the Acclaim CI. Our ability to achieve coverage and acceptable levels of reimbursement for our products by third- party payors will affect our ability to successfully commercialize the Acclaim CI. Even if we obtain coverage for the Acclaim CI by a third- party payor, the resulting reimbursement payment rates may not be adequate. We can provide no assurance that coverage and reimbursement in the United States, the European Union, or elsewhere will be available for any product that we may develop, and any reimbursement that may become available may be decreased or eliminated in the future. There is significant uncertainty related to third- party payor coverage and reimbursement of newly approved products. In the United States, third- party payors, including private and governmental payors, such as the Medicare and Medicaid programs, play an important role in determining the extent to which new products will be covered. Some third- party payors may require pre- approval of coverage for new or innovative devices before they will reimburse healthcare providers who use such therapies. Although we are confident that the Acclaim CI will be eligible for reimbursement, we cannot guarantee what third- party payors will decide with respect to the coverage and reimbursement for the Acclaim CI, if approved. Obtaining and maintaining reimbursement status is time consuming, costly and uncertain. The Medicare and Medicaid programs increasingly are used as models for how private payors and other governmental payors develop their coverage and reimbursement policies for drugs and medical devices. However, no uniform policy for coverage and reimbursement for such products exists among third- party payors in the United States. Therefore, coverage and reimbursement for products can differ significantly from payor to payor. As a result, the coverage determination process is often a time consuming and costly process that may require us to provide scientific and clinical support for the use of our products to each payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance. Furthermore, rules and regulations regarding reimbursement change frequently, in some cases at short notice, and we believe that changes in these rules and regulations are likely. Outside the United States, our international operations will generally be subject to extensive governmental price controls and other market regulations, and we believe the increasing emphasis on cost- containment initiatives in Europe and other countries has and will continue to put pressure on the pricing and usage of our products. In many countries, the prices of medical products are subject to varying price control mechanisms as part of national health systems. Other countries allow companies to fix their own prices for medical products but monitor and control company profits. Additional foreign price controls or other changes in pricing regulation could restrict the amount that we are able to charge for our product candidates, if approved. Accordingly, in markets outside the United States, the reimbursement for our product candidates may be reduced compared with the United States and may be insufficient to generate commercially reasonable revenue and profits. Moreover, increasing efforts by governmental and third- party payors in the United States and abroad to cap or reduce healthcare costs may cause such organizations to limit both coverage and the level of reimbursement for newly approved products and, as a result, they may not cover or provide adequate payment for our products. We expect to experience pricing pressures in connection with the sale of any of our product candidates due to the trend toward managed healthcare, the increasing influence of health maintenance organizations and additional legislative changes. The downward pressure on healthcare costs in general, particularly prescription drugs and surgical procedures and other treatments, has become very intense. As a result, increasingly high barriers are being erected to the entry of new products. If we are unable to obtain reimbursement coverage or adequate reimbursement levels, our results of operations, financial condition, the value of our securities, and our future prospects will be materially and adversely affected. We operate in a very competitive business environment, and if we are unable to compete successfully against our existing or potential competitors, our business, financial condition and results of operations may be adversely affected. The Acclaim CI will be subject to intense competition. The industry in which we operate is competitive, subject to change and sensitive to the introduction of new products, procedures or other market activities of industry participants. We will compete with large, diversified medical device companies, including Sonova, Demant, Cochlear, and others. We also compete with smaller companies similar to us. At any time, these competitors and other potential market entrants may develop new products, procedures or treatment alternatives that could render our products obsolete or uncompetitive. In addition, one or more of such competitors may gain a market advantage by developing and patenting competitive products, procedures or treatment alternatives earlier than we can, obtaining regulatory clearances or approvals more rapidly than we can or selling competitive products at prices lower than ours. If medical research were to lead to the discovery of alternative therapies or technologies that better treat or cure hearing loss, our profitability could suffer through a reduction in sales or a loss in market share to a competitor. Many of our

current and potential competitors have substantially greater sales and financial resources than we do. These competitors may also have more established distribution networks, a broader offering of products, entrenched relationships with physicians and distributors or greater experience in launching, marketing, distributing and selling products or treatment alternatives. We also compete with our competitors to engage the services of independent sales agents, both those presently working with us and those with whom we hope to work as we expand. In addition, we compete with our competitors to acquire technologies and technology licenses complementary to our products or procedures or advantageous to our business. If we are unable to compete successfully against our existing or potential competitors, our business, financial condition and results of operations will be adversely affected, and we may not be able to grow at our expected rate, if at all. We expect to derive most of our revenues from sales of the Acclaim CI. Our inability to successfully commercialize this product candidate or any subsequent decline in demand for this product candidate, could severely harm our ability to generate revenues. We are currently dependent on the successful commercialization of the Acclaim CI to generate revenues. As a result, factors adversely affecting our ability to successfully commercialize, or the pricing of or demand for, this product could have a material adverse effect on our financial condition and results of operations. If we are unable to successfully commercialize or create market demand for the Acclaim CI, we will have limited ability to generate revenues. Furthermore, we may be vulnerable to fluctuations in demand for the Acclaim CI, and a reduction in demand for the Acclaim CI would have a material adverse effect on our results of operations and financial condition. Such fluctuations in demand may be due to many factors, many of which are beyond our control, including, among others: ● market acceptance of a new product, including healthcare professionals' and patients' preferences; ● market acceptance of the clinical safety and performance of the Acclaim CI; ● development of similarly cost- effective products by our competitors; ● development delays of the Acclaim CI; ● adverse medical side effects suffered by patients using the Acclaim CI, whether actually resulting from the use of the Acclaim CI or not; ● changes in regulatory policies toward hearing loss technologies; ● changes in regulatory approval, clearance requirements and licensure for our product; ● third- party claims of intellectual property infringement; ● budget constraints and the availability of reimbursement or insurance coverage from third- party payors for the Acclaim CI; ● any developments affecting the long- term implantation and use of the Acclaim CI; and ● responses from certain of our competitors to the offering of the Acclaim CI. If healthcare professionals do not recommend our product to their patients, the Acclaim CI may not achieve market acceptance and we may not become profitable. If healthcare professionals, including physicians, do not recommend or prescribe our product to their patients, the Acclaim CI may not achieve market acceptance and we may not become profitable. In addition, physicians have historically been slow to change their medical diagnostic and treatment practices because of perceived liability risks arising from the use of new products. Delayed adoption of the Acclaim CI by healthcare professionals could lead to a delayed adoption by patients. Healthcare professionals may not recommend the Acclaim CI until certain conditions have been satisfied, including, among others: ● there is sufficient long- term clinical and health- economic evidence to convince them to alter their existing hearing loss treatments and recommendations; ● there are recommendations from prominent physicians, educators and / or associations indicating that the Acclaim CI is safe and effective; ● we obtain favorable data from clinical and health- economic studies for the Acclaim CI; ● reimbursement or insurance coverage from government and private third- party payors is available; ● healthcare professionals obtain required approvals and licensures for the handling, storage, dispensing and disposal of the Acclaim CI; and ● healthcare professionals become familiar with the advantages of the Acclaim CI in comparison to other hearing loss solutions. We cannot predict when, if ever, healthcare professionals and patients will adopt the use of the Acclaim CI on a large scale. Even if favorable data is obtained from clinical studies for the regulatory approval of the Acclaim CI, there can be no assurance that prominent physicians would endorse it for use by their patients. If the Acclaim CI does not achieve an adequate level of acceptance by patients, healthcare professionals, and government and private third- party payors, we may not generate significant product revenues, we may not become profitable, in which case our results of operations, cash flows and the value of our securities will be materially and adversely affected. We will be dependent upon contract manufacturing organizations and material suppliers, making us vulnerable to supply shortages and problems, increased costs and quality or compliance issues, any of which could harm our business. Our production of Acclaim CI devices is currently limited to production of prototype devices and devices for our early feasibility study. As a result, our purchases of supplies and components are limited to date. However, we expect that we will need to significantly increase our production rates to meet the supply of Acclaim CI devices needed for our clinical trials and, if the Acclaim CI obtains FDA approval, for eventual commercialization, which we are targeting to obtain in 2026. We also expect that some of the critical materials and components used in manufacturing the Acclaim CI may be sourced from single suppliers, which may expose us to greater risks as we increase production of Acclaim CI devices than if our supplier base were more diversified. For example, our suppliers may encounter problems during manufacturing for a variety of reasons, including, for example, failure to follow specific protocols and procedures, failure to comply with applicable legal and regulatory requirements, equipment malfunction and environmental factors, failure to properly conduct their own business affairs, and infringement of third- party intellectual property rights, any of which could delay or impede their ability to meet our increased requirements. An interruption in the supply of a key component could significantly delay our production of the Acclaim CI or increase our production costs. When we increase production, our reliance on these third- party suppliers will also subject us to other risks that could harm our business, including: ● we are not, and will not in the near future be, a major customer of many of our suppliers, and these suppliers may therefore give other customers' needs higher priority than us; ● we may not be able to obtain an adequate supply of components in a timely manner, **on commercially reasonable terms or at all; ● our suppliers, especially new suppliers, may make errors in manufacturing that could adversely affect the efficacy or safety of our products or**

cause delays in shipment; ● we may have difficulty locating and qualifying additional or alternative suppliers; ● switching components or suppliers may require product redesign and possibly resubmission to the FDA or other similar foreign regulatory agencies, which **could impede or delay our commercial activities; ● one or more of our suppliers may be unwilling or unable to supply components for our products in a timely manner, on commercially reasonable terms or at all; ● the occurrence of a fire, natural disaster or other catastrophe impacting one or more of our suppliers may affect their ability to deliver products to us in a timely manner or at all; and ● our suppliers may encounter financial or other business hardships unrelated to our demand, which could inhibit their ability to fulfill our orders and meet our requirements. We may not be able to quickly establish additional or alternative suppliers if necessary, in part because we may need to undertake additional activities to establish such suppliers as required by the regulatory approval process. Any interruption or delay in obtaining products from our third- party suppliers, or our inability to obtain products from qualified alternate sources at acceptable prices in a timely manner, could materially impair our ability to meet the demand of our customers and cause them to switch to competing products. Given our reliance on a limited number of suppliers, we may be susceptible to supply shortages while looking for alternate suppliers, which could materially and adversely affect our business, financial condition, results of operations and the trading price of our securities. Our business plan relies on certain assumptions about the market for our product; however, the size and expected growth of our addressable market has not been established with precision and may be smaller than we estimate, and even if the addressable market is as large as we have estimated, we may not be able to capture market share. Our estimates of the addressable market for the Acclaim CI are based on a number of internal and third- party estimates and assumptions. While we believe our assumptions and the data underlying our estimates are reasonable, these assumptions and our estimates may not be correct. As a result, the projected demand for our products could materially differ from actual demand if our assumptions regarding these trends and acceptance of our products by the medical community prove to be incorrect or do not materialize, or if non- surgical treatments gain more widespread acceptance. In addition, even if the Acclaim CI gains acceptance, technological or medical advances could provide alternatives to address hearing loss that are less invasive or offer other benefits over Acclaim CI. As a result, our estimates of the addressable market for our current or future products and procedures may prove to be incorrect. If the addressable market is not as large as we believe, our business, financial condition and results of operations and business prospects would be materially and adversely affected. We will depend on third parties to manage our pre- clinical studies and clinical trials, perform related data collection and analysis, and to enroll patients for our clinical trials, and, as a result, we may face costs and delays that are beyond our control. We rely upon third- party vendors, including Contract Research Organization (" CROs "), to monitor and manage data for our ongoing preclinical studies and will rely on them to manage our clinical trials. We also rely on CROs for execution of our preclinical studies and will rely on them for execution of our clinical trials. Although we control only certain aspects of their activities, we are and will be responsible for ensuring that each of our studies is conducted in accordance with the applicable protocol, legal, regulatory and scientific standards, and our reliance on the vendors and CROs does not relieve us of our regulatory responsibilities. We and our CROs and other vendors are required to comply with good clinical practice (" GCP "), cGMP, the Helsinki Declaration, the International Conference on Harmonization Guideline for Good Clinical Practice, applicable European Commission Directives on Clinical Trials, laws and regulations applicable to clinical trials conducted in other territories, and good laboratory practices, which are regulations and guidelines enforced by the FDA, the Competent Authorities of the Member States of the EEA, and comparable foreign regulatory authorities for all of our product candidates in clinical development. Regulatory authorities enforce these regulations through periodic inspections of study sponsors, principal investigators, study sites and other contractors. If we or any of our CROs or vendors fail to comply with applicable regulations, including GCP and cGMP regulations, the clinical data generated in our clinical studies may be deemed unreliable and the FDA, European Medicines Agency (" EMA "), or comparable foreign regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. Our failure to comply with these regulations may require us to repeat clinical trials, which would delay the regulatory approval process. If any of our relationships with third- party CROs or vendors terminate, we may not be able to enter into arrangements with alternative CROs or vendors or do so on commercially reasonable terms. In addition, our CROs are not our employees, and, except for remedies available to us under our agreements with such CROs, we cannot control whether they devote sufficient time and resources to our ongoing clinical programs. If our CROs do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they obtain is compromised due to their failure to adhere to our clinical protocols, regulatory requirements or for other reasons, our clinical trials may be extended, delayed or terminated, and we may not be able to obtain regulatory approval for or successfully commercialize our product candidates. Our CROs may also generate higher costs than anticipated, which could adversely affect our results of operations and the commercial prospects for our product candidate, increase our costs and delay our ability to generate revenue. Replacing or finding additional CROs involves additional cost and requires management time and focus. In addition, there is a natural transition period when a new CRO commences work. As a result, delays occur, which can materially impact our ability to meet our desired clinical development timelines. Though we carefully manage our relationships with our CROs, we may encounter similar challenges or delays in the future, which could have a material adverse effect on our business, financial condition and prospects. We have been and in the future may become a defendant in one or more stockholder derivative, class- action, and other litigation, and any such lawsuits** may adversely affect ~~investor confidence in us and materially and adversely affect~~ our business ~~and operating~~ **, financial condition,** results **of operations and cash flows** . ~~As~~ **We and certain of our officers and directors have been and may in the future become defendants in one or more stockholder derivative**

actions or ~~the~~ other ~~number~~ class- action lawsuits. For example: ● A lawsuit was filed in January 2020 against certain members of the Legacy Envoy board of directors alleging that the terms of financing transactions between GAT and Glen A. Taylor on the one hand and Legacy Envoy on the other hand were unreasonably favorable to GAT and Mr. Taylor, that Mr. Taylor breached his fiduciary duty as a shareholder, that each defendant breached his fiduciary duty as a director in approving such transactions and engaged in common law fraud in not sufficiently disclosing the transactions, a claim of unjust enrichment against GAT and Mr. Taylor, and claims against the other directors for aiding and abetting and conspiracy in relation to the claims against GAT and Mr. Taylor. ● A lawsuit was filed in November 2023 against Daniel Hirsch, Whitney Haring- Smith, the Sponsor and the Company, as successor to Anzu ~~special~~ Special ~~purpose acquisition~~ Acquisition ~~companies evaluating targets increases~~ Corp I alleging a claim for breach of Anzu' s Amended and Restated Certificate of Incorporation against the Company , ~~attractive targets~~ a claim for breach of fiduciary duty against Mr. Hirsch, Dr. Haring- Smith and the Sponsor and claims for unjust enrichment, fraudulent misrepresentation and tortious interference with economic relations against the defendants. See Part I, Item 3. Legal Proceedings for more information on these lawsuits. These lawsuits can divert our management' s attention and resources from our ordinary business operations, and we would likely incur significant expenses associated with their defense (including, without limitation, substantial attorneys' fees and other fees of professional advisors and potential obligations to indemnify current and former officers and directors who are or may become ~~scarcer and~~ parties to such actions). In connection with ~~there~~ these lawsuits, we may be required ~~more competition for attractive targets. This could increase the cost of our initial business combination and could even result in our inability~~ to ~~find a target or~~ pay material damages, consent to ~~consummate~~ injunctions on future conduct ~~an~~ and / ~~initial business combination. In recent years, the number of special purpose acquisition companies that have been formed has increased substantially. Many potential targets for~~ or suffer ~~special purpose acquisition companies have already entered into an initial business combination, and there~~ other penalties, remedies ~~are still many special purpose acquisition companies preparing for~~ or sanctions ~~an initial public offering~~ , or issue additional shares upon the exercise of certain warrants ~~as well as many such companies currently in registration. As a result~~ , which ~~at times, fewer attractive targets~~ may cause additional dilution ~~be available to consummate an initial business combination~~ . In addition, ~~because~~ any such future lawsuits could adversely impact our reputation and / or ability to launch and commercialize our products, ~~there~~ thereby harming our ability to generate revenue. Accordingly, the ultimate resolution of these matters and any future matters could have a material adverse effect on our business, financial condition, results of operation and cash flow and, consequently, could negatively impact the trading price of our Class A Common Stock. We are ~~more special purpose acquisition companies seeking~~ highly dependent on key members of our executive management team. Our inability to ~~enter into an initial~~ retain these individuals could impede our business plan and growth strategies ~~combination with available targets, the competition for available targets with attractive fundamentals or business models may increase~~ , which could have a negative impact on our business and ~~cause targets companies to demand improved financial terms. Attractive deals could also become scarcer for other~~ -- the ~~reasons~~ value of your investment. Our ability to implement our business plan depends on the continued services of key members of our senior management. In particular , and to a critical extent, we are dependent on the continued efforts and services of the members of our management team. If we lose the services of such ~~as economic~~ key members of ~~or~~ our management team ~~industry sector downturns~~ , we ~~geopolitical tensions (including the recent outbreak of hostilities between Russia and Ukraine), or increases in the cost of additional capital needed to close business combinations or operate targets post- business combination. This could~~ would likely be forced ~~increase the cost of, delay or otherwise complicate or frustrate our ability~~ to ~~find and consummate~~ expend significant time ~~an~~ and ~~initial business combination~~ money in the pursuit of replacement individuals , ~~and~~ which may result in a delay in the implementation of our ~~inability to consummate an initial~~ business ~~combination~~ plan and plan of operations. We may not be able to find satisfactory replacements on terms ~~favorable to~~ that would not be unduly expensive ~~our~~ or burdensome to us. We do not currently carry a key- man life insurance policy that would assist us in recouping our costs in the event of the death or disability of our management team. The loss of members of our management team, or our inability to attract or retain other qualified individuals, could have a material adverse effect on our business, results of operations and financial condition. Certain of our directors and / or officers may have interests that are different from holders of our Class A Common Stock. Certain of our directors and officers may have different interests than other holders of Class A Common Stock. As of March 27, 2024, Mr. Taylor, a member of the Board, holds approximately 52. 6 % of the currently outstanding shares of Class A Common Stock and approximately 22. 2 % of the outstanding shares of our Series A Preferred Stock. As a result of these holdings, Mr. Taylor has the ability to exert significant influence over matters submitted to a vote of our shareholders. Mr. Lucas, a member of the Board and the Chief Executive Officer, has interest in continued employment with the Company that is different from other holders of Class A Common Stock. For additional information regarding related party transactions and potential conflicts of interest, see Item 13. Certain Relationships and Related Transactions, and Director Independence. Our management team does not have experience managing a public company. The members of our management team do not have experience managing a publicly traded company, interacting with public company investors ~~altogether. Risks Related~~ or complying with the increasingly complex laws pertaining to public companies in the United States. Our management team ~~Organization and StructureOur directors~~ may ~~decide~~ not successfully or efficiently manage our transition to ~~enforce the indemnification~~ being a public company subject to significant regulatory oversight and reporting obligations under ~~of our sponsor, resulting in a reduction in~~ the U ~~amount of funds in the trust account available for distribution to our public stockholders~~ . S ~~In the event that the proceeds in the trust account are reduced below the lesser of (1) $ 10~~ . ~~00 per public share~~ federal securities laws and the continuous scrutiny of securities analysts and investors. These new obligations and constituents require significant attention from ~~or~~ our senior management and could divert ~~(2) such~~

~~lesser amount per public share held in the~~ **their attention away from** ~~trust account as of~~ the **day-** ~~date of the liquidation of the trust account due~~ to **- day management** ~~reductions in the value~~ of **our business** ~~the trust assets~~ , ~~in each case net of the interest~~ which ~~may be withdrawn to pay taxes, and our sponsor asserts 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 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. 00 per share. We are dependent upon our directors and officers and their departure~~ could adversely affect our ~~ability to operate~~ **business, financial condition, results of operations and prospects** . **Risks Relating to** Our ~~operations~~ **Intellectual Property If we** are **unable** ~~dependent upon a relatively small group of individuals and in particular, Dr. Haring- Smith and Mr. Hirsch. We believe that our success depends on the continued service of our directors and officers, at least until we have completed our initial business combination. In addition, our directors and officers are not required~~ to **obtain significant patent protection** ~~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. Moreover, certain of our directors and officers have time and attention requirements~~ for **our products,** ~~investment funds of which affiliates of our~~ **or** ~~sponsor are~~ **if our patents and** ~~the~~ **other intellectual property rights** ~~investment managers. We~~ do not **adequately protect** ~~have an employment agreement with, or~~ **our products** ~~key- man insurance on the life of~~ , **we** ~~any of our directors or officers. The unexpected loss of the services of one or more of our directors or officers could have a detrimental effect on us. 40Our key personnel may negotiate employment or consulting agreements with a target business in connection with a particular business combination. 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~~ **unable** to ~~remain with the company after the completion of~~ **gain significant market share and be unable to operate** our ~~initial~~ business ~~combination~~ **profitably. We rely on patents, trade secrets, copyrights, know- how, trademarks, license agreements and contractual provisions to establish our intellectual property rights and protect our products. These legal means, however, afford** only **limited protection** ~~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 our initial business combination. 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 applicable law. However, we believe the ability of such individuals to remain with us after the completion of our initial business combination will~~ not **completely protect** ~~be the determining factor in our decision as to whether or~~ **our rights** ~~not we will proceed with any potential business combination~~ . **As** ~~There is no certainty, however, that any~~ of **February 29, 2024,** our ~~key personnel will remain with us after~~ **exclusively- owned patent portfolio included 30 issued patents in the United States and 12 issued patents in** ~~the~~ **other countries** ~~completion of our initial business combination~~ . We cannot assure you that **our intellectual property position will not be challenged or that all patents for which we have applied will be granted. The validity and breadth of claims in patents involve complex legal and factual questions and, therefore, may be highly uncertain. Uncertainties and risks that we face include the following: ● our pending or future patent applications may not result in the issuance of patents; ● the scope of** any ~~of~~ **existing** ~~our~~ **or** ~~key personnel~~ **future patent protection may not exclude competitors or provide competitive advantages to us; ● our patents may not be held valid or enforceable if subsequently challenged; ● other parties may claim that our products and designs infringe the proprietary rights of others and even if we are successful in defending our patents and proprietary rights, the cost of such litigation may adversely affect our business; and ● other parties may develop similar products, duplicate our products, or design around our patents. The patent prosecution process is expensive and time- consuming, and we may not be able to file, prosecute, maintain, enforce or license all necessary or desirable patent applications at a reasonable cost or in a timely manner, or in all jurisdictions. We may choose not to seek patent protection for certain innovations and may choose not to pursue patent protection in certain jurisdictions, and under the laws of certain jurisdictions, patents or other intellectual property rights may be unavailable or limited in scope. It is also possible that we** will ~~remain in senior management~~ **fail to identify patentable aspects of** ~~or~~ **our** ~~advisory~~ **developments before it is too late to obtain patent protection. In addition, the laws of foreign jurisdictions may not protect our rights to the same extent as the laws of the United States. For example, most countries outside of the United States do not allow patents for methods of treating the human body. This may preclude us from obtaining method patents outside of the United States having similar scope to those we have obtained or may obtain in the future in the United States. Changes in either the patent laws or interpretation of the patent laws in the United States and other countries may diminish the value of our patents or narrow the scope of our patent protection. Moreover, we may be subject to a third- party pre- issuance submission of prior art to the U. S. Patent and Trademark Office (the " USPTO ") or patent offices in foreign jurisdictions, or become involved in** ~~positions~~ **opposition , derivation, reexamination, inter partes review, post- grant review or interference proceedings challenging our patent rights or the patent rights of others. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our technology and compete directly** with us **, without payment to us** . The ~~determination~~ **issuance of a patent is not conclusive** as to ~~whether~~ **its inventorship, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in the United States and abroad. Such challenges may result in loss of**

exclusivity or freedom to operate or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar or identical products and techniques, or limit the duration of the patent protection of our technology. While we are aware of several third- party patents of interest, we do not believe that any of our ~~key personnel~~ **products infringe any valid claims of patents or other proprietary rights held by others. However, there can be no assurances that we do not infringe any patents or other proprietary rights held by third parties. If our products were found to infringe any proprietary right of another party, we could be required to pay significant damages or license fees to such party and / or cease production, marketing and distribution of those products. We also rely on trade secrets and other unpatented proprietary technology. There can be no assurances that we can meaningfully protect our rights in our unpatented proprietary technology or that others** will ~~remain~~ **not independently develop substantially equivalent proprietary products or processes or otherwise gain access to our proprietary technology. We seek to protect our trade secrets and proprietary know- how, in part,** with ~~us~~ **confidentiality agreements with employees and consultants that include customary intellectual property assignment obligations. Litigation may also be necessary to defend infringement claims of third parties or to enforce patent rights we hold or to protect trade secrets or techniques we own. There can be no assurances, however, that the agreements will not be breached, adequate remedies for any breach would be available or competitors will not discover our trade secrets or independently develop comparable intellectual property. If we are unable to successfully protect our intellectual property, our business, financial condition, and results of operations** will be ~~made~~ **materially and adversely affected. Obtaining and maintaining patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non- compliance with these requirements. The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. In addition, periodic maintenance fees, renewal fees, annuity fees and various other government fees on issued patents often must be paid to the USPTO and foreign patent agencies over the lifetime of the patent and / or applications and any patent rights we may obtain in the future. While an unintentional lapse of a patent or patent application can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Non- compliance events that could result in abandonment or lapse of a patent or patent application include, but are not limited to, failure to respond to official actions within prescribed time limits, non- payment of fees and failure to properly legalize and submit formal documents. If we fail to maintain the patents and patent applications covering our products, we may not be able to stop a competitor from marketing products that are the same as or similar to our products, which would have a material adverse effect on our business. We may become a party to lawsuits or administrative proceedings involving patents or other intellectual property. If we were to lose any future intellectual property lawsuits, a court could require us to pay significant damages and / or prevent us from selling our products. We may become a party to lawsuits or administrative proceedings involving patents or other intellectual property, including interference proceedings, post grant review and inter partes review before the USPTO or the equivalent foreign patent authority. A legal proceeding, regardless of the outcome, could drain our financial resources and divert the time and effort of our management. Protracted litigation to defend or prosecute our intellectual property rights could result in our customers or potential customers deferring or limiting their purchase or use of the affected products until resolution of the litigation. If we are found to infringe a third party' s intellectual property rights, we could be required to obtain a license from such third party to continue selling, developing and marketing our products and techniques. However, we may not be able to obtain any required license on commercially reasonable terms or** at **all. Even if we were able to obtain a license, it could be non- exclusive, thereby giving our competitors access to** the ~~time of~~ **same technologies licensed to us. We could be forced, including by court order, to cease commercializing the infringing technology** ~~our~~ **or** ~~initial~~ **product. In addition, we could be found liable for monetary damages, including treble damages and attorneys' fees if we are found to have willfully infringed a patent. A finding of infringement could force us to cease some of our** business **operations, which could materially harm our** ~~combination. Our directors and officers allocate their time to other businesses~~ **business** ~~thereby causing conflicts of interest in~~ **. Claims that we have misappropriated** ~~their~~ **the confidential information** ~~determination as to how much time to devote to our~~ **or trade secrets** ~~affairs. This conflict~~ of ~~interest~~ **third parties** could have a **similar** negative impact on our **business. Intellectual property litigation may lead to unfavorable publicity that harms our reputation and causes the value of our securities to decline. Because competition in our industry is intense, competitors may infringe or otherwise violate our issued patents, patents of our licensors or other intellectual property. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time consuming, and could distract our technical and management personnel from their normal responsibilities. Any claims we assert against perceived infringers could provoke these parties to assert counterclaims or file administrative actions against us alleging that we infringe their patents. In addition, in a patent infringement proceeding, a court may decide that a patent of ours is invalid or unenforceable, in whole or in part, construe the patent' s claims narrowly or refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question. An adverse result in any litigation proceeding or administrative action could put one or more of our patents at risk of being invalidated or interpreted narrowly. Our competitors may assert invalidity on various grounds, including lack of novelty, obviousness or that we were not the first applicant to file a patent application related to our product. We may elect to enter into license agreements in order to settle patent infringement claims or to resolve disputes before litigation, and any such license agreements may require us to pay royalties and other fees that could be significant. Furthermore,**

because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure. Our competitors, many of which have made substantial investments in patent portfolios, trade secrets, trademarks and competing technologies, may have applied for or obtained, or may in the future apply for or obtain, patents or trademarks that may prevent, limit or otherwise interfere with our ability to ~~complete~~ **make, use, sell and /** ~~our~~ **or** ~~initial~~ **export our products or to use our technologies or product names. Moreover, individuals and groups that are non- practicing entities, commonly referred to as " patent trolls, " purchase patents and other intellectual property assets for the purpose of making claims of infringement in order to extract settlements. From time to time, we may receive threatening letters, notices or " invitations to license, " or may be the subject of claims that our products and** business ~~combination~~ **operations infringe or violate the intellectual property rights of others. The defense of these matters can be time consuming, costly to defend in litigation, divert management' s attention and resources, damage our reputation and brand and cause us to incur significant expenses or make substantial payments. Negative results in litigation regarding our intellectual property, or the requirement to make substantial expenditures in litigation (regardless of whether we ultimately prevail) would have material adverse effect on our liquidity, business, financial condition, results of operations, and the value of our securities. If we fail to execute invention assignment agreements with our employees and contractors involved in the development of intellectual property or are unable to protect the confidentiality of our trade secrets, the value of our products and our business and competitive position could be harmed. In addition to patent protection, we also rely on protection of copyright, trade secrets, know- how and confidential and proprietary information. We generally enter into confidentiality and invention assignment agreements with our employees, consultants and third parties upon their commencement of a relationship with us. However, we may not enter into such agreements with all employees, consultants and third parties who have been involved in the development of our intellectual property. In addition, these agreements may not provide meaningful protection against the unauthorized use or disclosure of our trade secrets or other confidential information, and adequate remedies may not exist if unauthorized use or disclosure were to occur. The exposure of our trade secrets and other proprietary information would impair our competitive advantages and could have a material adverse effect on our business, financial condition and results of operations. In particular, a failure to protect our proprietary rights may allow competitors to copy our products and procedures, which could adversely affect our pricing and market share. Further, other parties may independently develop substantially equivalent know- how and technology. In addition to contractual measures, we try to protect the confidential nature of our proprietary information using commonly accepted physical and technological security measures. Such measures may not provide adequate protection for our proprietary information, such as in the case of misappropriation of a trade secret by an employee or third party with authorized access** . Our ~~directors~~ **security measures may not prevent** ~~and~~ **an** ~~officers~~ **employee or consultant from misappropriating our trade secrets and providing them to a competitor, and recourse we take against such misconduct may not provide an adequate remedy to protect our interests fully. Unauthorized parties may also attempt to copy or reverse engineer certain aspects of our products that we consider proprietary. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive and time- consuming, and the outcome is unpredictable. Even though we use commonly accepted security measures, trade secret violations are often a matter of state law, and the criteria for protection of trade secrets can vary among different jurisdictions. In addition, trade secrets may be independently developed by others in a manner that could prevent legal recourse by us. While we have agreements with many of our employees, consultants and third parties that obligate them to assign their inventions to us, these agreements may not be self- executing, not all employees or consultants may enter into such agreements, or employees or consultants may breach or violate the terms of these agreements, and we may not have adequate remedies for any such breach or violation. If any of our intellectual property or confidential or proprietary information, such as our trade secrets, were to be disclosed or misappropriated, or if any such information was independently developed by a competitor, it could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects. If our trademarks and trade names** are not **adequately protected, we may not be able to build name recognition in our markets of interest and our competitive position may be harmed. We rely on our trademarks, trade names and brand names to distinguish our products from the products of our competitors and have registered or applied to register many of these trademarks. There can be no assurance that our trademark applications will be approved. Third parties may also oppose our trademark applications or otherwise challenge our use of the trademarks. In the event that our trademarks are successfully challenged, we could be forced to rebrand our products, which could result in loss of brand recognition, and could** ~~required~~ **require us** to ~~,~~ **devote resources to advertising** and **marketing new brands. Further, there can be no assurance that competitors** will not **infringe our trademarks or that we will have adequate resources to enforce our trademarks. We also license third parties to use our trademarks. In an effort to preserve our trademark rights** , ~~commit~~ **we enter into license agreements with these third parties, which govern the use of our trademarks and require our licensees to abide by quality control standards with respect to the goods and services that they provide under our trademarks. Although we make efforts to monitor the use of our trademarks by our licensees, there can be no assurance that these efforts will be sufficient to ensure that our licensees abide by the terms of** their ~~full~~ **licenses. In the event that our licensees fail to do so, our trademark rights could be diluted. Any of the foregoing could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects. Patent terms may not be sufficient to effectively protect our products and business for an adequate period of** 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~~ . **Patents** ~~We do not intend to~~ have ~~any full~~ **a limited lifespan. In the United States, the natural expiration of a patent is generally 20 years after its first effective non** - **provisional filing date** ~~time~~

employees prior to the completion of our initial business combination . **Although various extensions** Each of our officers is engaged in several other business endeavors for which he may be entitled to substantial compensation **available, the term of a patent,** and **the protection it affords, is limited. Even if patents covering** our officers **technologies and their uses** are **obtained** not obligated to contribute any specific number of hours per week to our affairs. In particular , **once the patent** all of our officers and certain of our directors have fiduciary and contractual duties to Anzu Partners and to certain companies in which it has **expired** invested or to certain other entities , including companies in industries we may target **be open to competition. In addition, although upon issuance in the United States a patent' s term can be extended based on certain delays caused by the USPTO, this extension can be reduced or eliminated based on certain delays caused by the patent applicant during patent prosecution. Given the amount of time required** for **the development, testing and regulatory review of new products, patents protecting such products might expire before** our **or shortly after such products are commercialized** initial business combination. Certain of our independent directors also serve as officers and / or board members for other entities . If our 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. For a complete discussion of our officers' and directors' other business affairs, please see " Part III Item 10. Directors, Executive Officer and Corporate Governance. " Certain of our directors and officers are now, and all of them may in the future become, affiliated with entities engaged in business activities similar to those intended to be conducted by us and, accordingly, may have conflicts of interest in determining to which entity a particular business opportunity should be presented. Until we consummate our initial business combination, we intend to engage in the business of identifying and combining with one or more businesses. Our sponsor and directors and officers are, or may in the future become, affiliated with entities that are engaged in a similar business. For example, Dr. Haring- Smith and Mr. Hirsch owe fiduciary duties under applicable law to Anzu Partners or other entities. Our sponsor and directors and officers are also not prohibited from sponsoring, investing or otherwise becoming involved with, any other blank check companies, including in connection with their initial business combinations, prior to us completing our initial business combination. Any such companies may present additional conflicts of interest in pursuing an acquisition target, particularly in the event there is overlap among investment mandates. However, we do not currently expect that any such **have sufficient patent terms to protect our products, technologies and** other **their** blank check company **uses, our business** would **be** materially **adversely** affect **affected** our ability to complete our initial business combination . **We** Moreover, certain of our directors and officers have time and attention requirements for investment funds of which affiliates of our sponsor are the investment managers. Our directors and officers also may become aware of business opportunities which may be appropriate **unable to enforce our intellectual property rights throughout the world. The laws of some foreign countries do not protect intellectual property rights to the same extent as the laws of the United States. Many companies have encountered significant problems in protecting and defending their intellectual property rights in certain foreign jurisdictions. This could make it difficult** for presentation to us and **to stop infringement of our foreign patents, if obtained, or** the **misappropriation of our** other entities to **intellectual property rights. For example, some foreign countries have compulsory licensing laws under** which **a patent owner must grant licenses to third parties. In addition, some countries limit** they **the** owe **enforceability of patents against** certain fiduciary **third parties, including government agencies** or contractual duties **government contractors. In these countries, patents may provide limited or no benefit. Patent protection must ultimately be sought on a country- by- country basis, which is an expensive and time- consuming process with uncertain outcomes** . Accordingly, **we may choose not to seek patent protection in certain countries, and we will not have** they **the benefit of patent protection in such countries. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business. Accordingly, our efforts to protect our intellectual property rights in such countries may be inadequate. In addition, changes in the law and legal decisions by courts in the United States and foreign countries may affect our ability to obtain adequate protection for our technology and the enforcement of our intellectual property. If we are unable to fully protect our intellectual property, our business will be materially and adversely affected. We may be subject to claims that we or our employees have misappropriated the intellectual property of a third party, including trade secrets or know- how, or are in breach of non- competition or non- solicitation agreements with our competitors and third parties may claim an ownership interest in intellectual property we regard as our own. Many of our employees and consultants were previously employed at or engaged by other medical device companies, including our competitors or potential competitors. Some of these employees, consultants and contractors** may have conflicts of interest **executed proprietary rights, non- disclosure and non- competition agreements** in **connection with such previous employment** determining to which entity a particular business opportunity should be presented . These conflicts may **Although we try to ensure that our employees and consultants do** not be resolved in **use the intellectual property, proprietary information, know- how** our **or trade secrets of others in their work** favor -- **for us, we** and a potential target business may be presented to other entities prior to its presentation to us, subject to **claims** his or her fiduciary duties under applicable law. Our amended and restated certificate of incorporation provides that we renounce our **or these individuals have, inadvertently or otherwise, misappropriated the intellectual property or disclosed the alleged trade secrets or other proprietary information of these former employers, competitors or other third parties. Additionally, we may be subject to claims from third parties challenging our ownership** interest in any corporate 41opportunity offered to any director or **inventorship of intellectual property we regard** officer unless such opportunity is expressly offered to such person solely in his or her capacity as a director or **our own, for example, based on claims** officer of the company and it is an opportunity that we **our agreements with employees or consultants obligating them to assign intellectual property to us** are **ineffective** able to complete on a reasonable basis. For **or in** a complete discussion of our officers' and directors' business affiliations and the potential conflicts of interest that you should be aware of, please see " Part III Item 10. Directors, Executive

Officer and Corporate Governance — Conflicts of Interest." Our directors, officers, security holders and their respective affiliates may have competitive pecuniary interests that conflict with **prior** our - **or** interests. We have not adopted **competing contractual obligations to assign inventions to another employer, to** a policy that prohibits **former employer,** our - **or** directors, officers, security holders or their respective affiliates from having a direct or indirect pecuniary or financial interest in any investment to **another** 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 officers. Nor do we have a policy that prohibits any such persons - **person** from engaging for - **or entity** their own account in business activities of the types conducted by us. **Litigation** Accordingly, such persons or entities may have a conflict between their interests and ours. As a result, there may be **necessary to defend against claims,** substantial overlap between companies that would be a suitable business combination for us and companies that would make an **and** attractive target for such other affiliates. 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, directors or officers which may raise potential conflicts of interest. In light of the involvement of our sponsor, directors and officers with other entities, we may decide to acquire one or more businesses affiliated with our sponsor, directors and officers. Certain of our directors and officers also serve as officers and board members for other entities, including those described under " Part III Item 10. Directors, Executive Officer and Corporate Governance — Conflicts of Interest." Such entities may compete with us for business combination opportunities. We could pursue a transaction with an affiliated entity if we determined that such affiliated entity met our criteria and guidelines for a business combination as set forth in " Item 1. Business — Effecting Our Initial Business Combination — Selection 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 that we, or a committee of independent and disinterested directors, will obtain an opinion from an independent investment banking firm or another valuation or appraisal firm that regularly renders fairness opinions on the type of target business we are seeking to acquire, regarding the fairness to our company from a financial point of view of a business combination with one or more businesses affiliated with our sponsor, directors or officers, 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 initial stockholders will lose their entire investment in us if our initial business combination is not completed, a conflict of interest may arise in determining whether a particular business combination target is appropriate for our initial business combination. On December 30, 2020, our sponsor subscribed for an aggregate of 7, 187, 500 founder shares for an aggregate purchase price of $ 25, 000, or approximately $ 0. 004 per share. On February 19, 2021, we effected a stock dividend of 2, 875, 000 shares of Class B common stock to our sponsor, resulting in our initial stockholders holding an aggregate of 10, 062, 500 founder shares. In February 2021, our sponsor transferred 25, 000 founder shares to each of Teresa A. Harris, Priya Cherian Huskins and Susan J. Kantor, our independent directors at the time. On March 1, 2021, we effected a stock dividend of 2, 012, 500 shares of Class B common stock to our sponsor, resulting in our initial stockholders holding an aggregate of 12, 075, 000 founder shares. On April 14, 2021, the sponsor forfeited 1, 450, 000 founder shares following the expiration of the unexercised portion of underwriters' over- allotment option. On October 4, 2022, our sponsor transferred 25, 000 founder shares to each of Daniel J. Hirsch and Diane L. Dewbrey in connection with their appointment as directors. As a result, the 10, 625, 000 founder shares issued and outstanding as of December 31, 2022, are not subject to forfeiture. Our initial stockholders collectively owned 71. 1 % of our issued and outstanding shares following the Extension Redemptions. The founder shares will be worthless if we do not complete an initial business combination. In addition, our sponsor has purchased an aggregate of 12, 500, 000 private placement warrants, each exercisable for one Class A common stock, for a purchase price of $ 12, 500, 000 in the aggregate, or $ 1. 00 per warrant, that will also be worthless if we do not complete a business combination. Each private placement warrant may be exercised for one share of our Class A common stock at a price of $ 11. 50 per share, subject to adjustment as provided herein. 42The founder shares are identical to the shares of common stock included in the units sold in our initial public offering except that: (1) prior to our initial business combination, only holders of the founder shares have the right to vote on the appointment of directors and holders of a majority of our founder shares may remove a member of the board of directors for any reason; (2) the founder shares are subject to certain transfer restrictions contained in a letter agreement that our initial stockholders, directors and officers have entered into, (3) pursuant to such letter agreement, our initial stockholders, directors and officers have agreed to waive: (i) their redemption rights with respect to any founder shares and public shares held by them, as applicable, in connection with the completion of our initial business combination; (ii) their redemption rights with respect to any founder shares and public shares held by them in connection with a stockholder vote to amend our amended and restated certificate of incorporation (A) to modify the substance or timing of our obligation to allow redemption in connection with our initial business combination or to redeem 100 % of our public shares if we do not complete our initial business combination by September 30, 2023 or such earlier date as determined by our board of directors or (B) with respect to any other provision relating to stockholders' rights or pre- initial business combination activity; and (iii) their rights to liquidating distributions from the trust account with respect to any founder shares they hold if we fail to complete our initial business combination by September 30, 2023 or such earlier date as determined by our board of directors (although they will be entitled to liquidating distributions from the trust account with respect to any public shares they hold if we fail to complete our initial business combination within the prescribed time frame); (4) the founder shares will automatically convert into shares of our Class A common stock at the time of our initial business combination, or earlier at the option of the holder, on a one- for- one basis, subject to adjustment pursuant to certain anti- dilution rights, as described in more detail below; and (5) the founder shares are entitled to registration rights. If we submit our initial business combination to our public stockholders for a vote, our initial stockholders have agreed (and their permitted transferees will agree), pursuant to the terms of a letter agreement entered into with us, to vote their founder shares and any public shares held by them purchased during or after our initial public offering in favor of our initial business combination. While we do not expect our board of

~~directors to approve any amendment to or waiver of the letter agreement or registration rights agreement prior to our initial business combination,~~ it may be ~~possible~~ **necessary or we may desire to enter into a license to settle any such claim; however, there can be no assurance** that **we would be able** ~~our board of directors, in exercising its business judgment and subject~~ to **obtain a license** ~~its fiduciary duties, chooses to approve one~~ **on commercially reasonable terms, if at all. If** ~~or~~ **our defense** ~~more amendments~~ to **those claims fails, in addition to paying monetary damages or a settlement payment, a court could prohibit us from using technologies, features or other intellectual property that are essential to** ~~or~~ **our** ~~waivers of~~ **products, if** such **technologies** ~~agreements in connection with the consummation of our~~ **or features are found to incorporate** ~~initial business combination. Any such amendments~~ or **be derived** ~~waivers would not require approval~~ from **the trade secrets** ~~our~~ **or** ~~stockholders, may result in the~~ **other proprietary information of the former employers,** ~~completion~~ **competitors** ~~of our~~ **or** ~~initial business combination~~ **third parties. An inability to incorporate technologies, features or other intellectual property** that ~~may not otherwise~~ **are important or essential to our products could** have **a material** ~~been possible, and may have an~~ adverse effect on **our business** ~~the value of an~~ **and competitive position** ~~investment in our securities. The personal and financial interests of our sponsor~~, ~~directors~~ and ~~officers~~ may **prevent** ~~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. This risk may become more acute as September 30, 2023 or such earlier date as determined by our board of directors nears, which is the deadline for the completion of our initial business combination. The nominal purchase price paid by our sponsor for the founder shares may result in significant dilution to the implied value of your public shares upon the consummation of our initial business combination. The amount in the trust account was $ 43, 913, 740 (approximately $ 10. 18 per public share) as of March 27, 2023. However, prior to our initial public offering, our sponsor paid a nominal aggregate purchase price of $ 25, 000 for the founder shares, or approximately $ 0. 004 per share. As a result, the value of your public shares may be significantly diluted upon the consummation of our initial business combination, when the founder shares are converted into public shares. For example, the following table shows the dilutive effect of the founder shares on the implied value of the public shares upon the consummation of our initial business combination, assuming that our equity value at that time is $ 43, 913, 740, which is the amount we would have for our initial business combination if no additional interest is earned on the funds held in the trust account, and no public shares are redeemed in connection with our initial business combination, and without taking into account any other potential impacts on our valuation at such time, such as the trading price of our public shares, the business combination transaction costs, any equity issued or cash paid to the target' s sellers or other third parties, or the target' s business itself, including its assets, liabilities, management and prospects, as well as the value of our public and private warrants. At such valuation, each share of our Class A common stock would have an implied value of 43approximately $ 2. 94 per share upon consummation of our initial business combination, which would be a 70. 6 % decrease as compared to the initial implied value per public share of $ 10. 00 (assuming no value to the public warrants). Public shares 4, 312, 774Founder shares 10, 625, 000Total shares 14, 937, 774Total funds in trust available for initial business combination $ 43, 913, 740Public stockholders' investment per public share $ 10. 00Implied value per share upon consummation of initial business combination $ 2. 94We do not have a specified maximum redemption threshold. The absence of such a redemption threshold may make it possible for~~ us **from selling** ~~to complete a 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, except that in no event will we redeem our public shares in an amount that would cause our net tangible assets to be less than $ 5, 000, 001 following such redemptions, or~~ **our products** ~~any greater net tangible asset or cash requirement that may be contained in the agreement relating to our initial business combination~~. **In addition** ~~As a result~~, we may ~~be able to complete~~ **lose valuable intellectual property rights** ~~our~~ **or personnel.** ~~initial business combination even~~ **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~~ **are successful in defending against these claims, litigation could result in substantial costs and could be a distraction to management. Any litigation** ~~our~~ **or** ~~initial~~ **the threat thereof may adversely affect our ability to hire employees or contract with independent sales representatives. A loss of key personnel or their work product could hamper or prevent our ability to commercialize our products, which could materially and adversely affect our** business ~~combination and do not conduct redemptions in connection with our initial business combination pursuant to the tender offer rules~~, **financial condition** ~~have entered into privately negotiated agreements to sell their shares to our sponsor~~, ~~directors~~ **operating results**, ~~officers, advisors or any of their respective affiliates. In the event the aggregate~~ cash ~~consideration we would be required~~ **flows and prospects. Risks Relating** to ~~pay for all public shares~~ **Our Organization and Structure Our Charter provides** that ~~are validly submitted for redemption plus any amount required to satisfy cash conditions pursuant to~~ the ~~terms~~ **Court** of **Chancery** ~~the proposed business combination exceed the aggregate amount~~ of ~~cash available to us, we will not complete~~ the **State** ~~business combination or redeem any shares, and all shares~~ of **Delaware** ~~common stock submitted for redemption~~ will 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 past, amended various provisions of their charters and modified governing instruments, including their warrant agreements. We cannot assure you that we will not seek to 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 some of our stockholders may not support. In order to effectuate an initial business combination, blank check companies have, in the recent past, amended various provisions of their charters and modified governing instruments, including their warrant agreements. For example, blank check companies have amended the definition of business combination, increased redemption thresholds, extended the time to consummate an initial business combination and, with respect to their warrants, amended their warrant agreements to require the warrants to be exchanged for cash and / or other securities. We cannot assure you that we will not seek to amend our amended and restated certificate of incorporation or governing instruments, including the warrant agreement, or extend the time to consummate an initial business~~

combination in order to effectuate our initial business combination. To the extent any of such amendments would be deemed to fundamentally change the nature of any of the securities offered through this registration statement, we would register, or seek an exemption from registration for, the affected securities. Certain 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 not less than 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 and the trust agreement to facilitate the completion of an initial business combination that some of our stockholders may not support. Our amended and restated certificate of incorporation provides that any of its provisions (other than amendments relating to the appointment of directors, which require the approval by a majority of at least 90 % of our common stock voting at a stockholder meeting) related to pre- business combination activity (including the requirement to fund 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 at least 65 % of our common stock, and corresponding provisions of the trust agreement governing the release of funds from our trust account may be amended if approved by holders of 65 % of our common stock. In all other instances, our amended and restated certificate of incorporation provides that it may be amended by holders of a majority of our 44common stock, subject to applicable provisions of the DGCL, or applicable stock exchange rules. We may not issue additional securities that can vote on amendments to our amended and restated certificate of incorporation or on our initial business combination. Our sponsor, who beneficially owns 70. 3 % of our common stock following the Extension Redemptions, may 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 it chooses. As a result, we may be able to amend the provisions of our amended and restated certificate of incorporation which will govern our pre- business combination behavior more easily than some other blank check companies, and this may increase our ability to complete our initial 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, 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 (A) to modify the substance or timing of our obligation to allow redemption in connection with our initial business combination or to redeem 100 % of our public shares if we do not complete our initial business combination by September 30, 2023 or such earlier date as determined by our board of directors or (B) with respect to any other provision relating to stockholders' rights or pre- initial business combination activity, unless we provide our public stockholders with the opportunity to redeem their shares of our 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, divided by the number of then outstanding public shares. These agreements are contained in a letter agreement that we have entered into with our sponsor, officers and directors. 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, 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. Our initial stockholders will control the election of our board of directors until consummation of our initial business combination and will hold a substantial interest in us. As a result, they will appoint all of our directors prior to our initial business combination and may exert a substantial influence on actions requiring stockholder vote, potentially in a manner that you do not support. Our initial stockholders owned 71. 1 % of the issued and outstanding shares of our common stock following the Extension Redemptions. In addition, the founder shares, all of which are held by our initial stockholders, entitle the holders to elect all of our directors prior to the consummation of our initial business combination. Holders of our public shares will have no right to vote on the election of directors during such time. These provisions of our amended and restated certificate of incorporation relating to the appointment of directors may only be amended by a majority of at least 90 % of our common stock voting at a stockholder meeting. As a result, you will not have any influence over the election of directors prior to our initial business combination. Neither our initial stockholders nor, to our knowledge, any of our officers or directors, have any current intention to purchase additional securities, other than as disclosed in this Annual Report. Factors that would be considered in making such additional purchases would include consideration of the current trading price of our Class A common stock. In addition, as a result of their substantial ownership in our company, our initial stockholders may exert a substantial influence on other actions requiring a stockholder vote, potentially in a manner that you do not support, including amendments to our amended and restated certificate of incorporation and approval of major corporate transactions. If our initial stockholders purchase any shares of our Class A common stock in our initial public offering or in the aftermarket or in privately negotiated transactions, this would increase their influence over these actions. Accordingly, our initial stockholders will exert significant influence over actions requiring a stockholder vote at least until the completion of our initial business combination. We may amend the terms of the warrants in a manner that may be adverse to holders of public warrants with the approval by the holders of at least 65 % of the then outstanding public warrants and forward purchase warrants. Our warrants are issued in registered form under a warrant agreement between American Stock Transfer & Trust Company, as warrant agent, and us. The warrant agreement provides that (a) the terms of the warrants may be amended without the consent of any holder for the purpose of (i) curing any ambiguity or correct any mistake, including to conform the provisions of the warrant agreement to the description of the terms of the warrants and the warrant agreement set forth in this Annual Report, or defective provision or (ii) 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 under the warrant agreement and (b) all other modifications or amendments require the vote or written consent of at least 65 % of the then outstanding public warrants and forward purchase warrants, provided that any amendment that solely affects the terms of the private placement warrants or any provision of the warrant agreement solely with respect to the 45private placement

~~warrants will also require at least 65 % of the then outstanding private placement warrants. Accordingly, we may amend the terms of the public warrants in a manner adverse to a holder if holders of at least 65 % of the then outstanding public warrants and forward purchase warrants approve of such amendment. Although our ability to amend the terms of the public warrants with the consent of at least 65 % of the then outstanding public warrants and forward purchase warrants is unlimited, examples of such amendments could be amendments to, among other things, increase the exercise price of the warrants, shorten the exercise period or decrease the number of shares of common stock purchasable upon exercise of a warrant. A provision of our warrant agreement may make it more difficult for as to consummate an initial business combination. Unlike some blank check companies, if (i) we issue additional shares of common stock or equity- linked securities for capital raising purposes in connection with the closing of our initial business combination at a Newly Issued Price of less than $ 9. 20 per share of common stock, (ii) the aggregate gross proceeds from such issuances represent more than 60 % of the total equity proceeds, and interest thereon, available for the funding of our initial business combination on the date of the completion of our initial business combination (net of redemptions), and (iii) the Market Value is below $ 9. 20 per share, then the exercise price of the warrants will be adjusted to be equal to 115 % of the higher of the Market Value and the Newly Issued Price, the $ 18. 00 per share redemption trigger price described in the Description of Securities exhibit filed as Exhibit 4. 5 to this Annual Report will be adjusted (to the nearest cent) to be equal to 180 % of the higher of the Market Value and the Newly Issued Price, and the $ 10. 00 per share redemption trigger price described in the Description of Securities exhibit filed as Exhibit 4. 5 to this Annual Report will be adjusted (to the nearest cent) to be equal to the higher of the Market Value and the Newly Issued Price. This may make it more difficult for us to consummate an initial business combination with a target business. Our 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~~ **substantially all disputes between us** and ~~proceedings that may be initiated by holders of~~ our ~~warrants~~ **stockholders** , which could limit ~~the~~ **our stockholders'** ability ~~of warrant holders~~ to obtain a favorable judicial forum for disputes with **us** ~~our~~ **or** ~~company~~ **our directors, officers, or employees** . Our **Charter** ~~warrant agreement~~ provides that, ~~subject~~ **unless we consent in writing** to ~~applicable law~~ **the selection of an alternative forum** , **the** (i) **Court of Chancery of the State of Delaware (the " Court of Chancery ") shall, to the fullest extent permitted by law, be the sole and exclusive forum for: (a) any derivative action or proceeding brought on behalf of us, (b)** any action ~~,~~ ~~proceeding~~ **asserting a claim of breach of a fiduciary duty owed by any of** ~~or~~ **our directors, stockholders, officers or other employees to us or our stockholders, (c) any action asserting a** claim against us **, our directors, officers or employees** arising **pursuant to** ~~out of or relating in~~ any ~~way to~~ **provision of** the **DGCL** ~~warrant agreement~~ , ~~including under the Securities Act, will~~ **our Bylaws or our Charter (as either may** be ~~brought~~ **amended from time to time),** and ~~enforced in the courts of the State of New York~~ **(d) any action asserting a claim against us,** ~~or~~ **our directors, officers** ~~the United States District Court for~~ **or employees governed by** the **internal affairs doctrine;** ~~Southern District of New York,~~ and (ii) **subject** ~~that we irrevocably submit~~ to ~~such jurisdiction~~ **the foregoing** , ~~which jurisdiction~~ **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 warrant agreement 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 warrants shall be deemed to have notice of and to have consented to the forum provisions in our warrant agreement. If any action, the subject matter of which is within the scope the forum provisions of the 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 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, and may potentially increase costs for investors to bring such a claim, both of** which may discourage such lawsuits **against us and our directors, officers, and other employees** . Alternatively, if a court were to find ~~this~~ **the choice of forum** provision ~~of our warrant agreement~~ **contained in the Charter to be** 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** ~~46financial~~ **financial** condition ~~and results of operations and result in a diversion of the time and resources of our management and board of directors~~ . **Additionally** ~~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 three- year director terms and the ability of the board of directors to designate the terms of and issue new series of preferred stock, 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. Section 203 of the DGCL affects the ability of an " interested stockholder " to engage in certain business combinations, for a period of three years following the time that the stockholder becomes an " interested stockholder. " We will elect in our certificate of incorporation not to be subject to Section 203 of the DGCL. Nevertheless, our certificate of incorporation will contain provisions that have the same effect as Section 203 of the DGCL,~~

~~except that it will provide that affiliates of our sponsor and their transferees will not be deemed to be " interested stockholders, " regardless of the percentage of our voting stock owned by them, and will therefore not be subject to such restrictions. These charter provisions may limit the ability of third parties to acquire control of our company. 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, to the fullest extent permitted by law, 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 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 action (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, (C) for which the Court of Chancery does not have subject matter jurisdiction, or (D) arising under the Securities Act, as to which the Court of Chancery and the federal district court for the District of Delaware shall have concurrent 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 federal securities laws and the rules and regulations thereunder. Our amended and restated certificate of incorporation provides that the exclusive forum provision will be applicable to the fullest extent permitted by applicable law. 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. As a result, the exclusive forum provision will not apply to suits brought to enforce any duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction.~~ Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. As noted above, **the Charter** ~~our amended and restated certificate of incorporation~~ provides that the ~~Court of Chancery and the~~ federal district ~~court~~ **courts** ~~for the District~~ of ~~Delaware~~ **the United States of America** shall have ~~concurrent~~ jurisdiction over any action arising under the Securities Act. Accordingly, there is uncertainty as to whether a court would enforce such provision **. Our** ~~, and our~~ stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder. **As** ~~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. 47We may not hold an annual stockholder meeting until after the consummation of our initial business combination. Our public stockholders will not have the right to elect or remove directors prior to the consummation of our initial business combination. We may not hold an annual meeting of stockholders until after we consummate our initial business combination (unless required by Nasdaq) and thus may not be in compliance with Section 211 (b) of the DGCL, which requires an annual meeting of stockholders be held for the purposes of electing directors in accordance with a company' s bylaws unless such election is made by written consent in lieu of such a meeting. Therefore, if our stockholders want us to hold an annual meeting prior to the consummation of our initial business combination, they may attempt to force us to hold one by submitting an application to the Delaware Court of Chancery in accordance with Section 211 (c) of the DGCL. 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, as modified by the JOBS Act, and~~ we ~~may~~ **cannot be certain if the reduced disclosure requirements applicable to " emerging growth companies " will make the Class A Common Stock less attractive to investors. As an " emerging growth company, " we** take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not **"** emerging growth companies **, "** including ~~, but not limited to,~~ not being required to **obtain an assessment** ~~comply with the auditor attestation requirements~~ of **the effectiveness of our internal control over financial reporting from our independent registered public accounting firm pursuant to** Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a **non-** ~~nonbinding~~ ~~---~~ **binding** advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. **In addition** ~~As a result~~ , ~~our stockholders may not have access to certain information they~~ ~~-~~ **the JOBS Act provides that** ~~may deem important. We could be~~ an emerging growth company **can take advantage of an extended transition period** for **complying with new** ~~up to five years, although circumstances could cause us to lose that status earlier, including if the market value of our~~ ~~-~~ **or revised accounting standards** ~~shares of common stock held by non- affiliates exceeds $ 700 million as of the end of any second quarter of a fiscal year~~ , ~~in~~ which ~~case~~ we **have elected to do** ~~would no longer be an emerging growth company as of the end of such fiscal year~~ . We cannot predict ~~whether~~ **if** investors will find ~~our securities~~ **the Class A Common Stock** less attractive because we ~~will~~ rely on these exemptions. If some investors find ~~our securities~~ **the Class A 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~~ **Class A Common Stock, the share** ~~prices~~ ~~-~~ **price** of ~~our securities~~ **Class A Common Stock** may be more volatile **and** ~~. Further, Section 102 (b) (1) of~~ the **price at which** ~~JOBS Act exempts emerging~~

growth companies from being required to comply with new or **our** revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non- emerging growth companies but any such election to opt out is irrevocable. We 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, can adopt the 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) of Regulation S- K. Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, 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 shares of common stock held by non- affiliates exceeds $ 250 million as of the end of that year' s second fiscal quarter, and (2) our annual revenues exceeded $ 100 million during such completed fiscal year and the market value of our shares of common stock held by non- affiliates exceeds $ 700 million as of the end of that 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. 48Risks Related to Ownership of Our SecuritiesThe Extension Redemptions and the future ability of our public stockholders to exercise redemption rights with respect to 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. Following the Extension Redemptions, approximately $ 43. 9 million remained in the trust account as of March 27, 2023. If our initial business combination agreement requires us to use a portion of the cash remaining 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 increases. 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. 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 tender offer rules or proxy 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 tender offer or proxy materials, as applicable, such stockholder may not become aware of the opportunity to redeem its shares. In addition, the tender offer documents or proxy 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 tender or redeem public shares. In the event that a stockholder fails to comply with these procedures, its shares may not be redeemed. You will not have any rights or interests in funds from the trust account, except under certain limited circumstances. To liquidate your investment, therefore, you may be forced to sell your public shares and / or warrants, potentially at a loss. Our public stockholders will be entitled to receive funds from the trust account only upon the earliest to occur of: (1) 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; (2) the redemption of any public shares properly submitted in connection with a stockholder vote to amend our amended and restated certificate of incorporation (A) to modify the substance or timing of our obligation to allow redemption in connection with our initial business combination or to redeem 100 % of our public shares if we do not complete our initial business combination by September 30, 2023 or such earlier date as determined by our board of directors or (B) with respect to any other provision relating to stockholders' rights or pre- initial business combination activity; and (3) the redemption of our public shares if we have not completed an initial business combination by September 30, 2023 or such earlier date as determined by our board of directors, subject to applicable law. In addition, if we are unable to complete an initial business combination by September 30, 2023 or such earlier date as determined by our board of directors for any reason, 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 September 30, 2023 or such earlier date as determined by our board of directors before they receive funds from our trust account. In no other circumstances will a stockholder have any right or interest of any kind to or in the trust account. Holders of 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 and / or warrants, potentially at a loss. 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 listed on Nasdaq. Although we currently meet the minimum initial listing standards set forth in the Nasdaq listing standards, we cannot assure you that our securities will be, or will continue to be, listed on Nasdaq in the future or prior to our initial business combination. In order to continue listing our securities on Nasdaq prior to our initial business combination, we must maintain certain financial, distribution and share price levels. Generally, we must maintain a minimum amount in stockholders' equity (generally $ 2, 500, 000) and a minimum number of holders of our securities (generally 300 public holders). Additionally, in connection with our initial business combination, we will be required to demonstrate compliance with 49Nasdaq' s initial listing requirements, which are more rigorous than Nasdaq' s continued listing requirements, in order to continue to maintain the listing of our securities on Nasdaq.

For instance, our share price would generally be required to be at least $ 4. 00 per share and our stockholder' s equity would generally be required to be at least $ 5, 000, 001. If 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 such 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 is 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 and shares of our Class A common stock and warrants are listed on Nasdaq, our units, shares of our Class A common stock and warrants qualify as covered securities under such statute. Although the states are preempted from regulating the sale of covered 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 special purpose acquisition companies, 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 Nasdaq, our securities would not qualify as covered securities under such statute and we would be subject to regulation in each state in which we offer our securities. You will not be entitled to protections normally afforded to investors of many other blank check companies. Since the remaining proceeds of our initial public offering 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 U. S. securities laws. However, because we had net tangible assets in excess of $ 5, 000, 000 upon the successful completion of our initial public offering and the sale of the private placement warrants and filed a Current Report on Form 8- K, including an audited balance sheet of the company demonstrating this fact, 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 initial public offering 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. If we seek stockholder approval of our initial business combination and we do not conduct redemptions pursuant to the tender offer rules, and if you or a " group " of stockholders are deemed to hold in excess of 15 % of the shares of our Class A common stock, you will lose your ability to redeem all such shares in excess of 15 % of shares of our Class A common stock. In connection with the Proposed Business Combination with Envoy or if the Proposed Business Combination with Envoy is not consummated and we seek stockholder approval of another initial business combination and we do not conduct redemptions in connection with such initial business combination pursuant to the tender offer rules, our amended and restated certificate of incorporation provides that a public stockholder, together with any affiliate of such stockholder or any other person with whom such stockholder is acting in concert or as a " group " (as defined under Section 13 of the Exchange Act), will be restricted from redeeming its shares with respect to more than an aggregate of 15 % of the shares sold in our initial public offering, which we refer to as the 50 " Excess Shares, " without our prior consent. However, we would not be restricting our stockholders' ability to vote all of their shares (including Excess Shares) for or against our initial business combination. 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. And 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. 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. 00 per share. Our placing of funds in the trust account may not protect those funds from third- party claims against us. Although we seek to have all vendors, service providers (other than our independent registered public accounting firm), 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 enter into an agreement with a third party that has not executed a waiver only if management believes that such third party' s engagement would be significantly more beneficial to us than any alternative. 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 superior to those of other consultants that would agree to execute a waiver or in cases where we are 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 our initial business combination within the required

~~time period, or upon the exercise of a redemption right in connection with our initial business combination, we will be required to provide for payment of claims of creditors that were not waived that may be brought against us within the 10 years following redemption. Accordingly, the per- share redemption amount received by public stockholders~~ could be less than **if we did not use these exemptions. The requirements of being a public company may strain our resources and divert management' s attention. As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes- Oxley Act, the Dodd- Frank Wall Street Reform and Consumer Protection Act, the listing requirements of Nasdaq and other applicable securities rules and regulations. Compliance with these rules and regulations increase our legal and financial compliance costs, make some activities more difficult, time- consuming or costly and increase demand on our systems and resources, particularly after we are no longer an " emerging growth company. " The Sarbanes- Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management' s attention may be diverted from other business concerns, which could adversely affect our business and operating results. We may need to hire more employees in the future or engage outside consultants to comply with these requirements, which will increase our costs and expenses. Risks Relating to Our Class A Common Stock and Warrants We may not receive any proceeds from the exercise of Warrants, and if we do, we may be unable to invest the portion of the net proceeds from the exercise of Warrants on acceptable terms. We will receive up to an aggregate of approximately $ 203. 4 million from the exercise of our outstanding Warrants, assuming the exercise in full of all of the Warrants for cash. However, we will only receive proceeds to the extent holders of Warrants elect to exercise. We can provide no assurances as to the amount of proceeds we will receive from the exercise of Warrants or whether we will receive any proceeds. As of the date of this Report, our Warrants are " out of the money, " which means that the trading price of the shares of Class A Common Stock underlying the Public Warrants, which was $ 3. 91 on March 27, 2024 is below the $ 11. 50 exercise price of the Public Warrants and** the $ 10. **46 exercise price** ~~00 per public share initially held in the trust account, due to claims~~ of ~~such creditors. Our sponsor has agreed that it will be liable to us if and to the extent any claims by a third party (other --~~ **the Shortfall Warrants.** ~~than our independent auditors) for services rendered or~~ **For so long** ~~products sold to us, or a prospective target business with which we have discussed entering into a transaction agreement, reduce the amount of funds in the trust account to below (1) $ 10. 00 per public share or (2) such lesser amount per public share held in the trust account~~ as ~~of the date of the liquidation of the trust account due to reductions in the value of the trust assets, in each case net of the interest which may be withdrawn to pay taxes, except as to any claims by a third party who executed a waiver of any and all rights to seek access to the trust account and except as to any claims under our indemnity of the underwriter of our initial public offering 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. We have not 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. Our sponsor may not have sufficient funds available to satisfy those obligations. We have not asked our sponsor to reserve for such obligations, and therefore, no funds are currently set aside to cover any such obligations. As a result, if any such claims were successfully made against the trust account, the funds available for our initial business combination and redemptions could be reduced to less than $ 10. 00 per public share. In such event, we may not be able to complete our initial business combination, and you would receive such lesser amount per public share in connection with any redemption of your public shares. None of our directors or officers will indemnify us for claims by third parties including, without limitation, claims by vendors and prospective target businesses. 51If, after we distribute the proceeds in the trust account to our public stockholders, we file a winding- up or bankruptcy petition or an involuntary winding- up or bankruptcy petition is filed against us that is not dismissed, a bankruptcy court may seek to recover such proceeds, and the members of our board of directors may be viewed as having breached their fiduciary duties to our creditors, thereby exposing the members of our board of directors and us to claims of punitive damages. If, after we distribute the proceeds in the trust account to our public stockholders, we file a winding- up or bankruptcy petition or an involuntary winding- up or bankruptcy petition is filed against us that is not dismissed, any distributions received by stockholders could be viewed under applicable debtor / creditor and / or insolvency laws as a voidable performance. As a result, a liquidator could seek to recover some or all amounts received by our stockholders. In addition, our board of directors may be viewed as having breached its fiduciary duty to our creditors and / or having acted in bad faith by paying public stockholders from the trust account prior to addressing the claims of creditors, thereby exposing itself and us to claims of punitive damages. If, before distributing the proceeds in the trust account to our public stockholders, we file a winding- up or bankruptcy petition or an involuntary winding- up or bankruptcy 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 winding- up or bankruptcy petition or an involuntary winding- up or bankruptcy petition is filed against us that is not dismissed, the proceeds held in the trust account could be subject to applicable insolvency law, and may be included in our liquidation estate and subject to the claims of third parties with priority over the claims of our stockholders. To the extent any liquidation claims deplete the trust account, the per- share amount that would otherwise be received by our stockholders in connection with our liquidation would be reduced. If we have not completed our initial business combination within the allotted time period, our public stockholders may be forced to wait beyond such allotted time period before redemption from our trust account. If we have not completed our initial business combination by September 30, 2023 or such earlier date as determined by our board of directors, we will distribute the aggregate amount then -~~ **the Warrants remain " out** ~~on deposit in the trust account, including interest (which interest shall be net~~ of ~~taxes payable), pro rata to our public~~

~~stockholders by way of redemption and cease all operations except for the purposes of winding up of our affairs, as further described herein. Any redemption of public stockholders from the trust account shall be effected automatically by function of our amended and restated certificate of incorporation prior to any voluntary winding up. If we are required to windup, 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 Delaware law. In that case, investors may be forced to wait beyond the allotted time period before the redemption proceeds of our trust account become available to them~~ **the money** ~~and they receive the return of their pro rata portion of the remaining proceeds from our trust account. We have no obligation to return funds to investors prior to the date of our redemption or liquidation unless~~ **"** ~~prior thereto, we consummate our initial business combination or amend certain provisions of our amended and restated certificate of incorporation and then only in cases where investors have properly sought to redeem their shares of our Class A common stock. Only upon our redemption or any liquidation will public stockholders be entitled to distributions if we have not completed our initial business combination within the required time period and do not amend certain provisions of our amended and restated certificate of incorporation prior thereto. 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 DGCL, stockholders may be held liable for claims by third parties against a corporation to the extent of distributions received by them in a dissolution. The pro rata portion of our trust account distributed to our public stockholders upon the redemption of our public shares in the event~~ we do not **expect warrantholders** ~~complete our initial business combination by September 30, 2023 or such earlier date as determined by our board of directors 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 **exercise** ~~ensure that it makes reasonable provision for all claims against it, including a 60- day notice period during which any third~~ **their warrants** ~~- party claims can be brought against the corporation, a 90- day period during which the corporation may reject any claims brought, and an~~ **and** ~~additional 150- day waiting period before any liquidating distributions are made to stockholders~~, **therefore** ~~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 52soon as reasonably possible following September 30, 2023 or such earlier date as determined by our board of directors in the event~~ we do not **expect** ~~complete our initial business combination and, therefore, we do not intend~~ to **receive cash** ~~comply with the foregoing procedures~~ --- **proceeds from any** ~~. Because we do not intend to comply 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~~ **exercise. We** will ~~provide for our payment~~ **have broad discretion in the use** of ~~all existing and pending claims or claims that~~ **any proceeds received from the exercise of Warrants. Delays in investing the net proceeds from the exercise of Warrants** may **impair** ~~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, consultants, etc.) or~~ **our performance** ~~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~~ **be able to identify uses of proceeds** that **meet our investment objectives or that any investment that we make will produce a positive return. We** may be ~~potentially brought against~~ **unable to invest the net proceeds from the exercise of Warrants on acceptable terms within the time period that we anticipate or at all, which could harm our financial condition and operating results. Moreover, we will have significant flexibility in investing the net proceeds from the exercise of Warrants and may** ~~us~~ **use the net proceeds from the exercise of Warrants in ways with which investors may not agree** . ~~As~~ **The sale of substantial amounts of our securities in the public market by our existing securityholders (including the shares of Class A Common Stock issuable upon exercise of the Warrants and conversion of the Series A Preferred Stock), or the perception that** such **sales may occur** , **may cause the market price of our securities to decline significantly. We have registered the issuance of shares of Class A Common Stock representing approximately 113. 2 % of the total shares of Class A Common Stock outstanding as of the date of this Report (assuming that all Warrants are exercised and all outstanding shares of Series A Preferred Stock are converted into Class A Common Stock). In addition, we have registered the resale of Class A Common Stock representing 77. 6 % of the total shares of Class A Common Stock outstanding as of the date of this Report (assuming that no Public Warrants are exercised, all Shortfall Warrants are exercised and all outstanding shares of Series A Preferred Stock are converted into Class A Common Stock). Further, the shares of Class A Common Stock that we have registered for resale represent a significant percentage of our outstanding Class A Common Stock, including (i) 11, 159, 614 shares of Class A Common Stock beneficially owned by Glen A. Taylor, which represent 54. 65 % of our outstanding Class A Common Stock (assuming that no Public Warrants or Shortfall Warrants are exercised and all shares of Series A Preferred Stock beneficially owned by Mr. Taylor are converted into Class A Common Stock) and (ii) 5, 043, 478 shares of Class A Common Stock beneficially owned by the Sponsor, which represent 22. 3 % of our outstanding Class A Common Stock (assuming that no Public Warrants or Shortfall Warrants are exercised and all shares of Series A Preferred Stock beneficially owned by the Sponsor are converted into Class A Common Stock). The sale of all of these securities, including the shares of Class A Common Stock underlying the Warrants and Series A Preferred Stock, in the public market, or the perception that holders of a large number of securities intend to sell their securities, could significantly reduce the market price of our Class A Common Stock and Public Warrants and could impair our ability to raise capital through the sale of additional equity securities. Certain of** our stockholders ~~could potentially be liable~~ **holding an aggregate of 12, 905, 049 shares of Class**

A Common Stock have agreed, subject to certain exceptions, not to sell their shares of Class A Common Stock during the period beginning on the Closing Date and ending on the first to occur of (a) March 29, 2024, (b) if the last sale price of our Class A Common Stock equals or exceeds $ 10. 50 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any ~~claims to~~ **20 trading days within any 30- trading day period or (c) such date on which the Company completes a liquidation, merger, stock exchange or** ~~the~~ **other** ~~extent~~ **similar transaction that results in all** of ~~distributions~~ **the Company' s stockholders having the right to exchange their shares of Common Stock for cash, securities or other property. Once such resale restrictions end, the market price of our Class A Common Stock could decline if such stockholders sell their shares or are** ~~received~~ **perceived** by **the market as intending to sell** them ~~(but no more) and any liability~~ **. Furthermore, despite such a decline in the public trading price, some** of ~~our~~ **such** stockholders may ~~extend beyond~~ **still experience a positive rate of return on the securities** ~~the~~ **they** ~~third anniversary of~~ **purchased due to the price at which** such ~~date. Furthermore, if the pro rata portion of our trust account distributed to our public~~ stockholders ~~upon~~ **initially purchased** the ~~redemption~~ **securities. The market prices** of our **Class A Common Stock and** ~~public~~ **Public Warrants have been and may continue to be extremely volatile, which could cause purchasers of our securities to incur substantial losses. The market prices and trading volume of our** shares ~~in~~ **of Class A Common Stock have recently experienced, and may continue to experience, extreme volatility, which could cause purchasers of our Class A Common Stock and Public Warrants to incur substantial losses. Since** the ~~event~~ **closing of the Business Combination, our Class A Common Stock has traded as low as $ 0. 747 and as high as $ 11. 46 as of March 27, 2024. In addition, the volume of trading of our Class A Common Stock has been inconsistent. For example, on February 27, 2024 our Class A Common Stock had trading volume of 14, 000 shares and on February 29, 2024 our Class A Common Stock had trading volume of 8, 031, 900 shares. Our Public Warrants have not traded in tandem with our Class A Common Stock, and since the closing of the Business Combination has traded within a range of $ 0. 0092 to $ 0. 315 as of March 27, 2024. We believe that the recent volatility and our current market prices reflect market and trading dynamics unrelated to our underlying business, or macro or industry fundamentals, and** we do not **know how long these dynamics will last.** ~~complete our initial business combination by September 30, 2023 or such earlier date as determined by our board of directors is not considered a liquidating distribution under~~ **Under** ~~Delaware law and such redemption distribution is deemed to be unlawful, then~~ **the** ~~pursuant~~ **circumstances, investors in our Class A Common Stock and Public Warrants are subject** to ~~Section 174~~ **the risk** of **losing all or a substantial portion of** ~~the~~ **their** ~~DGCL, the statute of limitations~~ **investment. The market volatility and trading patterns we have experienced create several risks** for **investors, including** ~~claims of creditors could then~~ **the following: ●** ~~be six years after the unlawful redemption distribution, instead of three years, as in the case of a liquidating distribution. The grant of registration rights to our initial stockholders and their permitted transferees 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 ~~shares of~~ our Class A ~~common~~ **Common** ~~stock~~ **Stock has experienced** ~~. Pursuant to an~~ **and** ~~agreement entered into in connection~~ **may continue to experience rapid and substantial increases or decreases unrelated to our operating performance or prospects, or macro or industry fundamentals, and substantial increases may be significantly inconsistent** with ~~our initial public offering, at or after the time of our initial business combination, our initial stockholders and their~~ **the risks and uncertainties** ~~permitted transferees can demand~~ that we ~~register the resale of~~ **continue to face; ● factors in** ~~their~~ **the public trading market for** ~~founder shares after those shares convert to shares of~~ our Class A ~~common~~ **Common** ~~stock~~ **Stock** ~~. In addition~~ **may include the sentiment of retail investors** , ~~our sponsor~~ **the direct access by retail investors to broadly available trading platforms, the amount** and ~~its permitted transferees can demand that we register~~ **status of short interest in our securities, access to margin debt, trading in options and** ~~the~~ **other derivatives on** ~~resale of the private placement warrants and the shares of~~ our Class A ~~common~~ **Common** ~~stock~~ **Stock** ~~issuable upon exercise of~~ **and any related hedging and** ~~the other~~ ~~private placement warrants, holders~~ **trading factors; ● to the extent volatility in our Class A Common Stock is caused by a " short squeeze " in which coordinated trading activity causes a spike in the market price** of ~~warrants that~~ **our Class A Common Stock as traders with a short position make market purchases to avoid or to mitigate potential losses, investors purchase at inflated prices unrelated to our financial performance or prospects, and may thereafter suffer substantial losses as prices decline once the level of short- covering purchases has abated; and ● if the market price of our Class A Common Stock declines, you** may be ~~issued upon conversion of working capital loans~~ **unable to resell your shares at or above the price at which you acquired them, and the Public Warrant you own** may **become out** ~~demand that we register the resale~~ of ~~such warrants or~~ the ~~shares~~ **money. The trading prices** of our Class A ~~common~~ **Common** ~~stock~~ **Stock and Public** ~~issuable upon exercise of such warrants~~ **Warrants depend on many factors, including** ~~and the Forward Purchasers can demand that we register the forward purchase securities and shares underlying the convertible notes. We will bear the cost of registering these~~ **those described** ~~securities. The registration and availability of such a significant number of securities for trading~~ in ~~the public market~~ **this Item 1A. Risk Factors, many of which are beyond our control and** may **not be related to our operating performance. Any of the factors listed below could** have ~~an~~ **a material** adverse effect on **investment in** ~~the market price of shares of~~ our Class A ~~common~~ **Common** ~~stock~~ **Stock** ~~. In addition~~ **and Public Warrants** , **and** ~~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 shares of~~ our Class A ~~common~~ **Common** ~~stock~~ **Stock and Public** ~~that is expected when the shares of common stock owned by our initial stockholders or their permitted transferees, our private placement warrants~~ **Warrants may trade at prices significantly below the price paid** ~~or warrants issued in connection with working capital loans are registered~~ for ~~resale~~ **them** ~~. We may issue additional shares~~ **In such circumstances, the trading prices** of our Class A ~~common~~ **Common** ~~stock~~ **Stock** ~~or shares of preferred stock to complete our initial business combination or under an~~ **and Public Warrants** ~~employee incentive plan after~~

~~completion of our initial business combination. We~~ may ~~also issue shares~~ **not recover and may experience a further decline. Factors affecting the trading price** of our Class A ~~common~~ **Common** ~~stock~~ **Stock** ~~upon the conversion of the shares of our 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 **Public** ~~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 400, 000, 000 shares of our Class A common stock, par value $ 0. 0001 per share, 40, 000, 000 shares of our Class B common stock, par value $ 0. 0001 per share, and 1, 000, 000 undesignated shares of preferred stock, par value $ 0. 0001 per share. As of December 31, 2022, there were 330, 833, 334 and 29, 375, 000 authorized but unissued shares of our Class A common stock and shares of our Class B common stock, respectively, available for issuance, which amount takes into account shares reserved for issuance upon exercise of outstanding warrants~~ **Warrants** ~~but not upon conversion of the shares of our Class B common stock into shares of our Class A common stock. Shares of our Class B common stock are convertible into shares of our Class A common stock, initially at a one- for- one ratio but subject to adjustment as set forth herein. As of December 31, 2022, there were no shares of preferred stock issued and outstanding. 53We~~ may ~~issue a substantial number of additional shares of our Class A common stock, and may issue shares of preferred stock, in order to complete our initial business combination or under an employee incentive plan after completion of our initial business combination. We have entered into the Forward Purchase Agreements, and may enter into additional forward purchase agreements or other commitments to issue additional securities prior to completion of our initial business combination. We may also issue shares of our Class A common stock to redeem the warrants as described in the Description of Securities exhibit filed as Exhibit 4. 5 to this Annual Report or upon conversion of the shares of our 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 our initial business combination, we may not issue additional shares of common stock that would entitle the holders thereof to (1) receive funds from the trust account or (2) vote as a class with our public shares on any initial business combination. The issuance of additional shares of common stock or shares of preferred stock, including~~ **include** ~~pursuant to the Forward Purchase Agreements~~ : ~~●~~ **actual** ~~may significantly dilute the equity interest of investors in our~~ - **or anticipated fluctuations** ~~initial public offering, which dilution would increase if the anti- dilution provisions~~ in ~~the shares of~~ our **quarterly financial** ~~Class B common stock resulted in the issuance of shares of our Class A common stock on a greater than one- to- one basis upon conversion of the shares of our Class B common stock; ● may subordinate the rights of holders of shares of common stock if shares of preferred stock are issued with rights senior to those afforded our shares of common stock; ● could cause a change of control if a substantial number of our shares of common stock is issued, which may affect, among other things, our ability to use our net operating loss carry forwards, if any, and could result~~ **results** ~~in the resignation or removal of our~~ - **or** ~~present directors and officers; ● may have~~ the ~~effect~~ **quarterly financial results** of **companies perceived** ~~delaying or preventing a change of control of us by diluting the share ownership or voting rights of a person seeking~~ to ~~obtain control of~~ **be similar to** us; ~~●~~ **changes in the market' s expectations about our operating results; ● the public' s reaction to our press releases, our other public announcements and our filings with the SEC; ● speculation in the press or investment community; ● actual or anticipated developments in our business or our competitors' businesses or the competitive landscape generally; ● our operating results failing to meet the expectation of securities analysts or investors in a particular period; ● changes in financial estimates and recommendations by securities analysts concerning us or the market in general; ● operating and stock price performance of other companies that investors deem comparable to us; ● publications of research reports by securities analysts about us, our competitors, or the industry we operate in; ● changes in laws and regulations affecting our business; ● commencement of, or involvement in, litigation involving us; ● changes in our capital structure, such as future issuances of securities or the incurrence of additional debt; ● the volume of Class A Common Stock available for public sale; ● any major change in the Board or management; ● sales of substantial amounts of Class A Common Stock by directors, officers or significant stockholders or the perception that such sales could occur; ● general economic and political conditions such as recessions, interest rates, fuel prices, trade wars, pandemics (such as COVID- 19), epidemics, currency fluctuations and acts of war (such as the conflict between Russia and Ukraine and the military conflict in Israel and Gaza) or terrorism; and ● other risk factors listed under this Item 1A. Risk Factors. There is no guarantee that the Public Warrants will be in the money, and they** may **expire worthless** ~~adversely affect prevailing market prices for our units, shares of common stock~~ and ~~/~~ **the terms of** ~~or~~ **our Public** ~~warrants~~ **Warrants** ~~; and ●~~ may **be amended** ~~not result in adjustment to the exercise price of our warrants~~ . The exercise price for the ~~public~~ **Public** ~~warrants~~ **Warrants** ~~is higher than in many similar blank check company offerings in the past, and, accordingly, the warrants are more likely to expire worthless. The exercise price of the public warrants is higher than is typical in many similar blank check companies in the past. Historically, the exercise price of a warrant was generally a fraction of the purchase price of the units in the initial public offering. The exercise price for our public warrants~~ is $ 11. 50 per share **of Class A Common Stock** , ~~subject to adjustment~~ **which exceeds the market price of the shares of Class A Common Stock, which** ~~as~~ **was** ~~provided herein~~ **$ 3** . ~~As a result,~~ **91 per share based on** the **closing price of the Class A Common Stock on March 27, 2024. There is no guarantee that the Public** ~~warrants~~ **Warrants** ~~are more likely~~ **will be in the money at any given time prior** to **their expiration. Pursuant to the terms of Warrant Agreement, the Public Warrants will expire on September 29, 2028, at 5: 00 p. m., New York City time, or earlier upon redemption or liquidation. If the trading price of Class A Common Stock declines, the Public Warrants may** expire worthless **. If all of the Public Warrants were exercised in full for cash, we would receive an aggregate of approximately $ 162. 9 million. We do not expect the holders of the Public Warrants to exercise their Public Warrants and therefore, we do not expect to receive cash proceeds from any such exercise, for so long as the Public Warrants remain out of the money. We can provide no assurances that the trading price of our Class A Common Stock will remain at levels where it would be**

attractive to exercise our outstanding Public Warrants until the time that such Public Warrants become exercisable . We may redeem ~~your~~ unexpired **Public** ~~warrants~~ **Warrants** prior to their exercise at a time that is disadvantageous to ~~you~~ **the holders of such Public Warrants** , thereby making ~~your~~ **such Public** ~~warrants~~ **Warrants** worthless. We have the ability to redeem ~~the~~ outstanding **Public** ~~warrants~~ **Warrants** at any time after they become exercisable and prior to their expiration, at a price of $ 0. 01 per warrant ~~if~~ , ~~among~~ **provided that** ~~other~~ -- **the** ~~things, the Reference Value~~ **last reported sales price of our Class A Common Stock** equals or exceeds $ 18. 00 per share (as adjusted for ~~adjustments to~~ **stock splits, stock dividends, reorganizations, recapitalizations and** the **like** ~~number of shares issuable upon exercise or the exercise price of a warrant as described in the Description of Securities exhibit filed as Exhibit 4. 5 to this Annual Report~~) ~~. Please see in~~ **for any 20 trading days within a 30 trading day period ending on the third trading day prior to the date on which we give proper notice of such redemption and provided certain** ~~the~~ **other conditions are met** ~~Description of Securities exhibit filed as Exhibit 4~~ . ~~5 to this Annual Report~~ **Shares of our Class A Common Stock have never traded above $ 18. 00 per share** . If and when ~~the~~ **such Public** ~~warrants~~ **Warrants** become redeemable by us, we may **not** exercise our redemption ~~right~~ **rights** ~~even~~ if **the issuance of shares of Class A Common Stock upon exercise of the Public Warrants is not exempt from registration or qualification under applicable state blue sky laws or** we are unable to **effect such registration or qualification. We will use our best efforts to** register or qualify ~~the underlying securities for sale~~ **such shares of common stock** under ~~all applicable~~ **the blue sky laws of the** state **of residence in** ~~securities laws. As a result, we may redeem the~~ **those states in which the Public** ~~warrants~~ **Warrants were offered by Anzu in its IPO** ~~as set forth above even if the holders are otherwise unable to exercise the warrants~~ . Redemption of the outstanding **Public** ~~warrants~~ **Warrants** ~~as described above~~ could force ~~you to:~~ **the holders of such Public Warrants** (~~1~~ **i**) **to** exercise ~~your~~ **the Public** ~~warrants~~ **Warrants** and pay the exercise price therefor at a time when it may be disadvantageous for ~~you~~ **such holder** to do so ~~;~~ **,** (~~2~~ **ii**) **to** sell ~~your~~ **the Public** ~~warrants~~ **Warrants** at the then- current market price when you might otherwise wish to hold ~~your~~ **the Public** ~~warrants~~ **Warrants** ~~;~~ or (~~3~~ **iii**) **to** accept the nominal redemption price which, at the time the outstanding **Public** ~~warrants~~ **Warrants** are called for redemption, ~~we expect would~~ **is likely to** be substantially less than the market value of ~~your~~ **the Public** ~~warrants~~ **Warrants** . ~~None of~~ **We may amend** the ~~private placement~~ **terms of the Public** ~~warrants~~ **Warrants** ~~will~~ **in a manner that may** be ~~redeemable~~ **adverse to holders of Public Warrants with the approval** by ~~us 54~~ **the holders of at least 65 % of the then outstanding Public Warrants. The Public Warrants were issued in registered form under the Warrant Agreement. The Warrant Agreement provides that** (~~except~~ **a) 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 or defective provision or (ii) adding or changing any provisions with respect to matters or questions arising under the Warrant Agreement** as ~~described in~~ the **parties** ~~Description of Securities exhibit filed as Exhibit 4. 5~~ to ~~this Annual Report~~ **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 Public Warrants under the Warrant Agreement and (b**) ~~so long as~~ **all other modifications or amendments require** ~~they~~ - **the vote** ~~are held by our~~ - **or** ~~sponsor or its permitted transferees~~ **written consent of at least 65 % of the then outstanding Public Warrants** . **Accordingly** ~~In addition~~ , we ~~have~~ **may amend the terms of the Public Warrants in a manner adverse to a holder if holders of at least 65 % of the** ~~the~~ **then outstanding Public Warrants approve of such amendment. Our** ability to ~~redeem~~ **amend the terms of the Public Warrants with the consent of at least 65 % of the** ~~the~~ **then** outstanding **Public** ~~warrants~~ **Warrants is broad** ~~at any time after they become exercisable and prior to their expiration, at a price of $ 0~~ . ~~10 per warrant if~~ **Examples of such amendments could be amendments to** , among other things, **increase the exercise price of the Public Warrants, shorten the exercise period or decrease the number of shares of Class A Common Stock purchasable upon exercise of a Public Warrant. While we will pay dividends on shares of Series A Preferred Stock pursuant to the Certificate of Designation, we do not intend to pay dividends on shares of Class A Common Stock for the foreseeable future. Except with respect to dividends on shares of Series A Preferred Stock pursuant to the terms of the Certificate of Designation, we currently intend to retain all available funds and any future earnings to fund the development and growth of our business. As a result, while we will pay dividends on shares of Series A Preferred Stock, we do not anticipate declaring or paying any cash dividends on shares of Class A Common Stock in the foreseeable future. Any decision to declare and pay dividends in the future will be made at the discretion of the Board and will depend on, among other things, the dividend rights of the Series A Preferred Stock pursuant to the Certificate of Designation, our business prospects, results of operations, financial condition, cash requirements and availability, certain restrictions related to our indebtedness, industry trends and other factors that the Board 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 shares of Class A Common Stock. As a result, you may have to sell some or all of your shares of Class A 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 shares of Class A Common Stock. If analysts do not publish research about our business or if** ~~the~~ **they** ~~Reference Value equals~~ **publish inaccurate or unfavorable research,** ~~or~~ **our** ~~exceeds $ 10~~ **stock price and trading volume could decline** . ~~00~~ **The trading market for our Class A Common Stock will depend in part on the research and reports that analysts publish about our business. We do not have any control over these analysts. If one or more of the analysts who cover us downgrade our Class A Common Stock or publish inaccurate or unfavorable research about our business, the price of our Class A Common Stock would likely decline. If few analysts cover us, demand for our Class A Common Stock could decrease and our Class A Common Stock price and trading volume may decline. Similar results may occur if one or more of these analysts stop covering us in the future or fail to publish reports on us regularly. You may experience future dilution as a result of future equity offerings. In order to raise additional capital, we may, in the**

future, offer additional shares of our Class A Common Stock or other securities convertible into or exchangeable for our Class A Common Stock at prices that may not be the same as the price per share paid by any investor. We may sell ~~(as adjusted for adjustments to the number of shares issuable upon exercise or the other exercise~~ securities in any other offering at a price ~~of a warrant as described in~~ per share that is less than the price per share paid by any investor, and investors purchasing shares or ~~the other Description of Securities~~ securities in ~~exhibit filed as Exhibit 4. 5 to this Annual Report). In such a case, the holders will be able to exercise their --~~ the ~~warrants~~ future could have rights ~~prior~~ superior to ~~redemption for a number of~~ you. The price per share at which we sell additional shares of our Class A common Stock, or securities convertible or exchangeable into common stock ~~determined based on~~, in future transactions may be higher or lower than the ~~redemption date~~ price per share paid by any investor. We may be subject to securities litigation, which is expensive and ~~the fair~~ could divert management attention. The market ~~value~~ price of ~~shares of our~~ Class A ~~common~~ Common Stock may continue to be volatile and, in the past, companies that have experienced volatility in the market price of their stock have been subject to ~~. Please see the Description of Securities~~ securities class action litigation ~~exhibit filed as Exhibit 4~~. We ~~5 to this Annual Report. The value received upon exercise of the warrants (1) may be less than the value the holders would have received if they -~~ the ~~had exercised~~ target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert management' s attention from ~~their -~~ other ~~warrants at a later~~ business concerns, which could seriously harm our business. We are and may become involved in legal proceedings, and no assurance can be provided as to the outcome of these matters. From time ~~where the underlying~~ to time, we ~~share --~~ are ~~price is higher~~ involved in various legal proceedings, lawsuits, and ~~(2) may not compensate the~~ other claims relating to matters incidental to our business ~~holders for the value of the warrants, including because the number of shares of common stock received is capped at 0~~. ~~361 shares of~~ For example, we are currently a defendant in a lawsuit in the ~~our~~ Court ~~Class A common stock per warrant (subject to adjustment) irrespective~~ of Chancery ~~the remaining life~~ of the ~~warrants~~ State of Delaware involving a stockholder' s redemption request in connection with our special meeting of stockholders held on September 27, 2023. ~~Our warrants and founder shares~~ An unfavorable resolution of any litigation may have ~~an~~ a material adverse effect on ~~the market price of shares of~~ our ~~Class A common stock and make it more difficult to effectuate our initial~~ business ~~combination. We have issued warrants to purchase 14~~, results ~~166, 666 shares~~ of operations ~~our Class A common stock, at a price of $ 11. 50 per whole share (subject to adjustment as provided herein), as part of the units offered in our initial public offering and, simultaneously with the closing of this our initial public offering, we issued in a private placement an~~ and financial condition ~~aggregate of 12, 500, 000 private placement warrants, each exercisable to purchase one share of our Class A common stock at a price of $ 11~~. Additionally ~~50 per share~~, litigation ~~subject to adjustment as provided herein. Our initial stockholders currently hold 10, 625, 000 shares of our Class B common stock. The shares of our Class B common stock are convertible into shares of our Class A common stock on a one- for- one basis, subject to adjustment as set forth herein. In addition, if our sponsor, an affiliate of our sponsor or certain of our directors and officers make any working capital loans, up to $ 1, 500, 000 of such loans~~ may result in ~~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. To the extent we issue shares of our Class A common stock 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 or conversion rights could make us a less attractive acquisition vehicle to a target business. Any such issuance will increase the number of issued and outstanding shares of our Class A common stock and reduce the value of the shares of our Class A common stock issued to complete the business combination. Therefore, our warrants and founder shares may make it more difficult to effectuate a business combination or increase the cost~~ costs and expenses and significantly divert ~~of acquiring the target business. The private placement warrants are identical to the warrants sold as part of the units in our initial public offering except that, so long as they -~~ the attention ~~are held by our sponsor or its permitted transferees: (1) they will not be redeemable by us (except as described in the Description~~ of management ~~Securities exhibit filed as Exhibit 4. 5 to this Annual Report); (2) they (including the shares of our Class A common stock issuable upon exercise of these warrants) may not, subject to certain limited exceptions, be transferred, assigned or sold by our sponsor until 30 days after the completion of our initial business combination; (3) they may be exercised by the holders on a cashless basis; and (4) they (including the shares of common stock issuable upon exercise of these warrants) are entitled to registration rights. Because each unit contains one- third of one redeemable warrant and only a whole warrant may be exercised, the units may be worth less than units of other blank check companies. Each unit contains one- third of one redeemable warrant. Pursuant to the warrant agreement, no fractional warrants will be issued upon separation of the units, and only whole warrants will trade. This is different from other offerings similar to ours whose units include one share of common stock and one whole warrant to purchase one share. 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- third of the number of shares compared to units that each contain a whole warrant to purchase one whole share, thus making us, we believe, a more attractive business combination partner for target businesses. Nevertheless, this unit structure may cause our units to be worth less than if they included a warrant to purchase one whole share. 55~~