

## Risk Factors Comparison 2025-04-15 to 2024-05-03 Form: 10-K

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An investment in our securities involves a high degree of risk. You should carefully consider the risks described below before making an investment decision. Our business, prospects, financial condition, or operating results could be harmed by any of these risks, as well as other risks not known to us or that we consider immaterial as of the date of this annual report. The trading price of our securities could decline due to any of these risks, and, as a result, you may lose all or part of your investment. The following discussion should be read in conjunction with ECD's financial statements and notes thereto included herein. You should carefully consider the following risk factors in addition to the other information included in this annual report, including matters addressed in the section titled "Special Note Regarding Forward-Looking Statements." Risks Related to ECD ECD has a limited operating history with a history of losses, and expects to incur significant expenses for the near term. ECD has a limited operating history. ECD's business is difficult to evaluate due to its relatively brief operating history, and its prospects will be dependent on its ability to meet a number of challenges. Because ECD has a limited operating history, you may not be able to evaluate its prospects accurately. ECD's ability to create, design, develop, manufacture, and deliver automobiles of high quality on schedule and on a large scale is unproven, which may make it more difficult for ECD to forecast and plan for its capital requirements. If we fail to manage our growth effectively, our business could be harmed. ECD's operations are subject to all the risks inherent with growing business enterprises. The Business Combination will significantly increase ECD's visibility in the luxury automotive market, which may result in an increased demand for ECD's products. To manage ECD's growth effectively, ECD must continue to be able to launch new products and increase its production capacity to meet changing consumer preferences and ECD's customers' demand in a timely and cost-effective manner. These efforts may require substantial financial expenditures, commitments of resources, developments of our processes, and other investments and innovations. As we grow, we may not be able to execute those efforts as quickly as other more efficient organizations may. If ECD does not successfully manage our growth, we may not be able to timely fulfil orders, which could have a material adverse effect on ECD's business, prospects, results of operations and financial condition. ECD's business strategy may not be successfully implemented, which could negatively impact its financial results and stock price. The success of ECD's strategy depends on several factors, including its ability to introduce new products and services that meet customer needs and preferences, expand into new markets and geographies, attract and retain qualified personnel, manage ECD's expenses and costs, implement new vehicle production lines and increase the capacity of existing ones, and respond to changes in market conditions, industry trends, and customer demand. However, there can be no assurance that ECD will be able to effectively execute its strategy, which could adversely affect its business, financial condition, and results of operations. Any delays, cost overruns, or other issues associated with implementing the strategy could negatively impact ECD's financial results and its ability to attract and retain investors. Moreover, ECD may face competition from other businesses that are better positioned to implement similar strategies, which could make it more difficult for ECD to achieve its objectives. As a result, there is a risk that ECD's strategy may not be successfully implemented, which could materially and adversely affect its business, financial condition, and results of operations. ECD's vehicles are highly customized and may not perform in a manner consistent with customers' expectations. ECD customizes its vehicles based on significant input from each of its customers. Customizations include several aspects of the vehicle's performance and aesthetics, and involve the work of highly skilled mechanics and automotive designers. As a result, every vehicle that ECD develops is unique, and is usually not available for customers to "test drive" prior to taking delivery, as would be customary in ready-made luxury vehicles dealerships. Customers' eventual dissatisfaction may be based on performance, aesthetics, or other features of the vehicle. While most customers usually only communicate such dissatisfaction to ECD directly, if a customer discloses, and / or publicizes their experience and subjective opinions on social media and other public platforms, it could negatively affect ECD's reputation and have a material adverse effect on ECD's business and prospects. ECD's business is highly dependent on the price, availability and quality of base vehicles. ECD's business depends on its ability to successfully purchase used automobiles. All vehicles used by ECD were originally built and sold by an unaffiliated third-party manufacturer. Additionally, all vehicles that ECD purchases have been previously used by unaffiliated third-party consumers. ECD has a process to assess the quality of the base vehicles it purchases, including accident background checks; however, our safety protocol and quality inspection processes may be insufficient to identify all defects of the vehicles and compromise the quality standards of our products, which could have a negative impact in our customers' satisfaction and, consequently, in our results of operations. Furthermore, ECD does not control the price fluctuation, product availability, or original quality of those vehicles. As a result, the price, availability, and quality of such automobiles can fluctuate significantly. Such fluctuations may lengthen ECD's delivery timelines and may increase ECD's cost of locating, purchasing, importing, deconstructing, and retrofitting the vehicles, any of which could have a material and adverse effect on ECD's business, prospects, results of operations and financial condition. ECD's ability to predict future demand for its vehicles and inventory is limited, which limits the accuracy of ECD's financial forecasts. ECD operates a just-in-time manufacturing model, which requires it to maintain certain inventory to serve as input to its processes. ECD currently keeps in inventory more than two thirds of the manufacturing parts to be used in each of its processes. ECD's ability to predict demand for its vehicles, including demand for particular body styles, models or trim levels, is limited. The demand for ECD's vehicles can vary significantly as a result of factors outside of ECD's control (such as, for example, general economic conditions, the popularity of Land Rover or Jaguar base models and unforeseen cancellation of customers' orders). Further, delays beyond expected wait times could also impact customers' decisions on whether to ultimately complete a purchase of an ECD vehicle.

ECD routinely provides estimated delivery times to ECD's prospective customers, but such delivery times may vary considerably, depending on the availability of materials and labor needed to complete the project. Due to ECD's limited ability to predict demand for ECD's vehicles, ECD may be unable to accurately forecast its future revenues, expenses and inventory requirements. Currently, ECD has no historical basis for making projections about the demand for certain of its vehicles or the ability of its supply chain contractors to develop, manufacture, and deliver the material ECD needs to operate. If ECD fails to manage its inventory effectively and accurately predict its manufacturing requirements, it could incur additional costs associated with excess inventory or inadequate inventory, which could affect the production process and delivery of its vehicles and adversely affect ECD's business, prospects, results of operations and financial condition. ECD does not have a diversified range of operations or portfolio of investments, and ECD's business is highly specific to the customization and restoration of Land Rover Series, Land Rover Defenders, Range Rover Classics and, Jaguar, Ford Mustang and Toyota FJ car models. ECD has no plans to own any assets or have any activities not associated with custom vehicle restoration. Thus, ECD is not, and will not be in the foreseeable future, diversified as to the type of assets it owns and manages. The effects on cash available for distribution to shareholders resulting from a downturn in the automobile industry will be more pronounced than if ECD had diversified its business and investments. ECD currently depends on revenues from a limited number of vehicle models and manufacturers and expects this to continue for the foreseeable future. ECD currently only customizes Land Rover Series, Range Rover Classics, Land Rover Defenders and, Jaguar E-Types, Ford Mustang and Toyota FJ and some occasional other models from the same car manufacturer. ECD does not have expertise in any other car manufacturers or models. ECD's business is entirely dependent upon the availability of vehicles with respect to which ECD has design and manufacturing know-how and expertise. Should any of these models become unavailable, cost-prohibitive, or subject to a manufacturer or government recall requirement, this will significantly limit the services that ECD can provide, which will in turn materially and adversely affect ECD's business, prospects, results of operations and financial condition. ECD's ability to create, design, develop, manufacture, and deliver automobiles of high quality on schedule and on a large scale is unproven. ECD has only recently started to operate in the Energized Electric Vehicle (EV) industry. Its ability to create, design, develop, manufacture, and deliver automobiles of high quality on schedule and on a large scale is unproven, which may make it more difficult for ECD to forecast and plan for its capital requirements. ECD estimates that approximately a sixth-fifth of its vehicles are EV and that this proportion will gradually increase. Any increase in the cost, or reduced availability, of EV propulsion systems used by ECD may lead to higher production costs for ECD's EVs and could jeopardize its ability to successfully deliver on its EV strategy, which may adversely affect its business and results of operations. ECD's business is highly specialized and dependent on a continuing demand for high-end, luxury customer passenger vehicles. ECD's vehicles are highly customized and are referred to in the industry as "exotic" cars, with a relatively high base model price. For many of its consumers, vehicles purchased from ECD are not the consumers' primary source of transportation. ECD's future growth is dependent on the continuing consumer demand for high-end custom passenger vehicles, the prospects of which are subject to many uncertainties, including the global economy, unforeseeable health crises, and / or other force majeure events. Any change in the economic climate could result in consumers curbing their spending, and it is likely that luxury items, such as ECD's vehicles, would be among the items first affected by any such reduced spending, which would in turn adversely affect ECD's business, prospects, results of operations and financial condition. ECD may fail to adequately obtain, maintain, enforce and protect ECD's intellectual property and may not be able to prevent third parties from unauthorized use of ECD's intellectual property and proprietary technology. ECD's methods and processes in building its vehicles are highly proprietary and specific to its business. However, regulatory protection (such as, for example, patent or trademark registration with the United States Patent and Trademark Office and copyright registration with the United States Copyright Office) for such processes is largely unavailable. ECD establishes and protects its intellectual property and proprietary technology through a combination of licensing agreements, third-party nondisclosure and confidentiality agreements and other contractual provisions. Despite ECD's efforts to obtain and protect intellectual property rights, there can be no assurance that these protections will be available or adequate in all cases to prevent ECD's competitors, or other third parties, from copying, reverse engineering or otherwise obtaining and using ECD's technology or products. Failure to adequately obtain, maintain, enforce and protect ECD's intellectual property could result in its competitors offering identical or similar products, potentially resulting in the loss of ECD's competitive advantage and adversely affect ECD's business. ECD's business depends on the success of its marketing strategies. ECD plans to enhance its brand recognition, improve its brand reputation, and grow its client base by substantial investments in marketing and business development activities. However, ECD cannot guarantee that its marketing strategies or spending will have their anticipated effect or generate revenue. ECD faces a number of challenges in the sale and marketing of its vehicles, including, without limitation: ● ECD competes with other luxury automotive manufacturers for consumer spending; ● demand in the luxury automobile industry is highly volatile; ● ECD may not be able to keep up with consumer demand, thereby resulting in unreasonably lengthy delivery timeframes of its customer vehicles; ● the final delivered aesthetic, performance, and quality of ECD's vehicles may vary from estimates and may not meet customer's expectations; ● ECD's brand image could be harmed due to negative publicity affecting its suppliers, vendors, and the vehicle makes or models that ECD customizes; and ● it is expensive to establish a strong brand, and ECD may not succeed in establishing, maintaining, and strengthening the ECD brand in a cost-efficient manner, or at all. ECD may not succeed in continuing to maintain and strengthen its reputation and brand, and ECD's reputation and brand could be harmed by negative publicity with respect to us, our directors, officers, employees, shareholders, business partners, or the automotive industry in general. If ECD is unable to efficiently enhance its brand and market its vehicles, this may have a material and adverse effect on ECD's business, prospects, financial condition, and operating results. ECD's success is dependent on the continued leadership and experience of ECD Initial Securityholders, and the loss of their services may have a material and adverse effect on ECD's operations and financial condition. ECD's success is dependent to a large degree principally on the personal efforts, experience, and abilities of the ECD Initial Securityholders. The ECD Initial Securityholders

are responsible for all operational, strategic, financial, and legal decisions of ECD. See item “ Directors and Executive Officers ” for additional information about each of the ECD Initial Securityholders’ roles and contributions to ECD. The loss of any of the ECD Initial Securityholders’ services may have a material adverse effect on ECD’ s business, prospects, results of operations and financial condition, and there can be no assurance that ECD would be able to attract qualified replacement personnel. ECD does not anticipate purchasing any “ key man ” insurance on any of the ECD Initial Securityholders. In the event that any ECD Initial Securityholder dies or becomes incapacitated, ECD will not only have to compensate for the loss of their talent and experience, but will also have to incur the cost of having to find a replacement for their services (such as by means of recruiting agencies) and will have to negotiate a new compensation structure for the replacement personnel, whose compensation could be significantly higher than that previously paid to such ECD Initial Securityholder. In addition to the potentially substantial cost of having to find replacement personnel, the loss of any ECD Initial Securityholder as a service provider to ECD could divert management’ s attention from operations, which could have a material adverse effect on ECD’ s business, financial condition and operating results. ECD may lose or fail to attract and retain key management personnel and salaried employees. An important aspect of ECD’ s competitiveness is its ability to attract and retain key salaried employees and management personnel, such as ECD’ s mechanics. ECD’ s ability to do so is influenced by a variety of factors, including the compensation we pay and the competitiveness of our overall compensation package. ECD may not be as successful as competitors at recruiting, assimilating and retaining highly skilled personnel. The loss of the services of any member of senior management or a key salaried employee could have an adverse effect on ECD’ s business. The requirements of being a public company may strain our resources and distract our management, which could make it difficult to manage our business, particularly after we are no longer an “ emerging growth company. ” As a public company, we are subject to the reporting requirements of the Exchange Act and the requirements of the Sarbanes- Oxley Act. The Company did not timely file its Quarterly Report on Form 10- Q for the quarter ended September 30, 2023 and the Company may not be able to timely file its Exchange Act reports in the future. These requirements may place a strain on our systems and resources. The process of becoming, and operating as, a public company may also distract our management from focusing on our business and strategic priorities. Further, we may not be able to issue debt or equity on terms acceptable to us and we may not be able to attract and retain employees as desired. We may also not fully realize the anticipated benefits of the Business Combination and of being a public company, or the realization of such benefits may be delayed, if any of the risks identified in this “ Risk Factors ” section, or other events, were to occur. Furthermore, as an “ emerging growth company ” as defined in the JOBS Act, we are permitted to, and intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies. When these exemptions cease to apply, we expect to incur additional expenses and devote increased management effort towards ensuring compliance with them. We cannot predict or estimate the amount of additional costs we may incur as a result of becoming a public company or the timing of such costs. ECD may incur losses and costs because of warranty claims and product liability and intellectual property infringement actions that may be brought against ECD. ECD faces an inherent business risk of exposure to warranty claims and product liability in the event that ECD’ s customized vehicles fail to perform as expected and, in the case of product liability, such failure of ECD’ s vehicles results in bodily injury and / or property damage. The customization of vehicles is a complex and precise process. ECD’ s customers specify quality, performance and reliability standards. If any flaws in ECD’ s customized vehicles were to occur, ECD could experience a rate of failure in our products that could result in significant delays in shipment and re- work or repair and replacement costs. Although ECD engages in extensive product quality programs and processes, these may not be sufficient to avoid failures, which could cause ECD to: ● lose net revenue; ● incur increased costs such as warranty expense and costs associated with customer support; ● experience delays, cancellations or rescheduling of orders for ECD’ s vehicles; ● experience increased returns or discounts; or ● damage ECD’ s reputation, all of which could negatively affect our financial condition and results of operations. Warranty reserves will include the ECD management team’ s best estimate of the projected costs to repair or to replace items under warranty. Such estimates are inherently uncertain, particularly in light of ECD’ s limited operating history and the limited field data available to it. Despite having historically accurately estimated our reserves for expenses related to our warranty programs, changes to such estimates based on real- world observations may cause material changes to ECD’ s warranty reserves in the future. If ECD’ s reserves become inadequate to cover future maintenance requirements on its vehicles, its business, prospects, financial condition and results of operations could be materially and adversely affected. ECD may become subject to significant and unexpected expenses as well as claims from ECD’ s customers. There can be no assurances that then- existing reserves will be sufficient to cover all claims. ECD’ s business could be adversely affected by computer malware, viruses, ransomware, hacking, phishing attacks and security threats, including cybersecurity threats and related disruptions, which could result in security and privacy breaches and interruption in service. ECD depends on digital technologies, including information systems, infrastructure and cloud applications and services, including those of third parties with which ECD may deal. Computer malware, viruses, physical or electronic break- ins and similar disruptions could lead to interruption and delays in ECD’ s services and operations and loss, misuse or theft of data. Computer malware, viruses, ransomware, hacking and phishing attacks against online networks have become more prevalent and may occur on ECD’ s systems in the future. Sophisticated and deliberate cyberattacks to, or security breaches in, ECD’ s systems or infrastructure, or the systems or infrastructure of third parties or the cloud, could lead to corruption or misappropriation of ECD’ s assets, proprietary information and sensitive or confidential data. As an early- stage company without significant investments in data security protection, ECD may not be sufficiently protected against such occurrences. ECD may not have sufficient resources to adequately protect against, or to investigate and remediate any vulnerability to, cyber incidents. Insurance may not be sufficient to cover significant expenses and losses related to cyber- attacks. Efforts to prevent cyber attackers from entering computer systems are expensive to implement, and ECD may not be able to cause the implementation or enforcement of such preventions with respect to its third- party vendors. ECD’ s chief executive officer, under the direction of the Board, is primarily responsible for monitoring and addressing

risks and threats related to information technology and cyber security. ECD uses third- party service providers, such as GoDaddy Mediatemple, Inc., d / b / a Sucuri, and Omni Springs, LLC, to provide ECD with services related to monitoring its website, e- mail, spam ~~protections~~ **protection**, among others, also take steps to protect the security and integrity of ECD' s information technology systems and ECD' s and its customers' information. However, there can be no assurance that such systems and measures will not be compromised due to intentional misconduct, as well as by software bugs, human error, or technical malfunctions. Though it is difficult to determine what, if any, harm may directly result from any specific interruption or attack, any failure to maintain performance, reliability, security and availability of systems and technical infrastructure may, in addition to other losses, harm ECD' s reputation, brand and ability to attract customers.

#### Risks Related to ECD' s Business and Industry

The luxury automotive industry has significant barriers to entry that ECD must continue to overcome to manufacture and sell custom luxury vehicles at scale. The luxury automotive industry has significant barriers to entry, including large capital requirements, investment costs of designing, manufacturing, and distributing vehicles, the need for specialized design and development expertise, regulatory requirements, establishing a brand name and image, a lack of consistency relating to customer preferences with respect to their custom vehicles; long lead times to bring refurbished vehicles to market from the concept and design stage; the need for specialized design and development expertise; and the need to establish sales and service locations. If ECD is not able to efficiently overcome these barriers, there may be an adverse effect on the business, prospects, results of operations and financial condition of ECD, and ECD may be unable to grow or scale its business. The custom, luxury automotive market is highly competitive and ECD may not be successful in competing in this industry. The custom, luxury automotive industry is extremely competitive in multiple aspects, including with respect to price, quality and customer recognition. Our current and potential competitors may be able to devote greater resources to the design, development, manufacturing, distribution, promotion, sale, servicing, and support of their products. In addition, some of our competitors have longer operating histories, larger and more established sales forces, broader customer and industry relationships and other resources than we do. Our competitors may be in a stronger position to respond quickly to new technologies and may be able to design, develop, market and sell their products more effectively than we do. ECD may not be able to successfully implement new technologies or adapt its products and services in a timely manner, inability which could adversely affect ECD' s competitive advantage and its ability to build and maintain brand recognition and attract and retain customers. ECD operates in a regulatory environment that is evolving and uncertain. ECD may not be able to respond quickly enough to changes in regulations, technology and technological risks, and to develop ECD' s intellectual property into commercially viable products. To date there is limited regulation on mass retrofitting of vehicles. As such, new laws and regulations could be adopted in the United States and abroad. Further, existing laws and regulations may be interpreted in new ways that could impact ECD' s operations and attribute additional restrictions and regulatory requirements to its business and operations. The additional cost and time needed to provide information to authorities and to comply with such regulations could negatively impact ECD' s business. Changes in legislative, regulatory or industry requirements or in competitive technologies may render certain of ECD' s products obsolete or less attractive. ECD' s ability to anticipate changes in technology and regulatory standards and to successfully develop and introduce new and enhanced products on a timely basis are significant factors affecting ECD' s ability to remain competitive and to maintain or increase ECD' s revenues. ECD cannot assure that certain of our products will not become obsolete or that ECD will be able to achieve the technological advances that may be necessary for ECD to remain competitive and maintain or increase ECD' s revenues in the future. ECD is also subject to the risks generally associated with the introduction and application of new products, including lack of market acceptance, delays in product development or production and failure of products to operate properly. The pace of ECD' s development and introduction of new and improved products depends on ECD' s ability to implement successfully improved technological innovations in design, engineering, manufacturing and internal management (such as a computerized cash collection and data processing system, certain computer hardware, and operating and accounting software), all of which require extensive capital investment. Any limits to capital expenditure could reduce ECD' s ability to develop and implement improved technological innovations, which may materially reduce demand for ECD' s products and adversely affect ECD' s business.

#### Risks Related to Financing Our Business

ECD may require additional financing after the Business Combination. ECD' s business and industry is highly capital- intensive. ECD projects that it will continue to incur significant operating costs, including for production ramp up, raw material procurement, general and administrative expenses to scale operations, and sales, marketing, and distribution expenses as it builds its brand and markets its vehicles. ECD will also incur additional costs associated with operating as a public company following the Business Combination. The net proceeds from the Note Financing and from the Business Combination may not be sufficient to meet all of the capital needs of ECD in the long- term. As a result, ECD may need to raise additional funds by means of equity financing or debt financing to implement its business strategy (“ Additional Financing ”) and, if such Additional Financing is obtained, the interests of ECD' s shareholders may be subordinated and / or diluted, as applicable. Any future debt financing may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. Those restrictions could adversely impact ECD' s ability to conduct its operations and execute its business plan. To the extent that ECD raises additional capital through the sale of equity or convertible debt securities, investors' ownership interests in ECD will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect investors' rights as a common shareholder. At this time, ECD does not have any firm commitment for an Additional Financing and there can be no assurance that any Additional Financing will be available or on terms and conditions acceptable to ECD. The inability to obtain Additional Financing may have a material adverse effect on ECD' s business, prospects, results of operations and financial condition.

#### General Risk Factors Applicable to ECD

General economic conditions may materially and adversely affect ECD' s business. The ECD' s success is dependent on the disposable income of its customers. A worldwide or national economic downturn could have a significant impact on ECD' s business. ECD' s revenues derive primarily from restoring and customizing luxury vehicles, which are discretionary purchases. From this

perspective, a deterioration in general economic conditions or decreases in consumer confidence in the economy could result in a decline in sales if, as a result, customers reduce their discretionary spending. Inflationary pressures and persistently high prices and uncertain availability of inputs used by ECD and ECD's suppliers, or instability in logistics and related costs, could negatively impact ECD's profitability. **Pending tariffs proposed by the Trump Administration, may also negatively impact the cost structure of ECD's supply chain, and ECD may not be able to pass these price increases on to its customers.** Increases in prices, including because of inflation and rising interest rates, for inputs that ECD and ECD's suppliers use in manufacturing products, systems, components and parts, or increases in logistics and related costs, have led in the past and may lead in the future to higher production costs for parts, components and vehicles. **The pending tariffs proposed by the Trump Administration, may also negatively impact the cost structure of ECD's supply chain, and ECD may not be able to pass these price increases on to its customers.** Geopolitical risks, fluctuations in supply and demand, fluctuations in interest rates, any weakening of the U. S. dollar in comparison with other currencies, and other economic and political factors have created and may continue to create pricing pressure for ECD's inputs. These inflationary pressures could, in turn, negatively impact ECD's profitability because we may not be able to pass all of those costs on to our customers or require our suppliers to absorb such costs. ~~Rising interest rates and the recent shutdowns and acquisitions of several banking institutions could cause additional instability in capital markets, making it more difficult for ECD to secure access to capital it needs to continue to grow its operations. The U. S. economy recently experienced a steady rise in interest rates that the U. S. Federal Reserve has been imposing in an effort to curb rising inflation. In addition to these rising interest rates having contributed to a slow-down in mortgage and housing markets and a general decrease in the availability of capital, most recently, the U. S. has witnessed the collapse of several national banks. This has resulted in extreme volatility in the U. S. financial markets. Continued volatility and the effects of the collapse of these banks could limit ECD's access to capital when ECD needs it. Because of ECD's desire to scale and grow rapidly following the Business Combination, any disruptions or delays to ECD's access to capital, or a material increase in its cost, may have a material adverse effect in ECD's plans to scale its production and increase brand awareness. ECD cannot accurately predict the future impact that the recent economic events may have on ECD's business, prospects, financial condition, and results of operations.~~ ECD's business is highly dependent on international and single- source component suppliers, and any changes in governmental regulations and international trade relations conditions may materially and adversely affect ECD's business. ECD's business relies heavily on a limited number of suppliers for the materials and services necessary for its operations. This concentration of suppliers creates a significant risk for ECD, as any disruption in its supply chain could lead to delays, increased costs, or a failure to meet customer demand. If ECD were to lose one or more of these suppliers, it may not be able to find a suitable replacement in a timely manner, which could lead to a disruption in ECD's operations and a decline in its financial performance. Furthermore, ECD's reliance on a limited number of suppliers may limit its ability to negotiate favorable terms, including pricing and delivery schedules. If ECD's suppliers were to increase their prices, ECD may not be able to pass on these increased costs to its customers, which could negatively impact ECD's profitability. As a result, any significant disruption or loss of a key supplier could have a material adverse effect on ECD's business, financial condition, and results of operations. ECD may need to seek alternative sources of supply or develop in-house capabilities to mitigate this risk, which could be costly and time-consuming. ECD's reliance on successfully importing automobiles could subject ECD to risks, including risk relating to international relations, import and export laws and regulations, inventory availability, and others. Typical components that ECD purchases include base vehicles and vehicle parts. ECD uses all of these components in every project that it completes, depending on its customer's specifications. ECD imports its base vehicles and certain components from the United Kingdom to its Kissimmee, Florida, U. S. headquarters. Changes in U. S. and U. K. trade policy; changes to customs requirements or procedures (e. g., inspections) or new or higher tariffs on certain foreign goods, such as steel and certain vehicle parts; new or evolving non-tariff barriers or domestic preference procurement requirements; enforcement of, changes to, withdrawals from or impediments to implementing free trade agreements; changes in foreign currency exchange rates and interest rates; impact of changes to and compliance with U. S. and foreign countries' export controls, economic sanctions and other similar measures; liabilities resulting from U. S. and foreign laws and regulations, including, but not limited to, those related to the Foreign Corrupt Practices Act and certain other anti-corruption laws, all may result in increased costs for goods imported into the U. S. and have a material adverse effect on ECD's financial condition or results of operations. Pandemics, epidemics, disease outbreaks and other public health crises, such as the COVID- 19 pandemic, have disrupted our business and operations, and future public health crises could materially adversely impact our business, financial condition, liquidity and results of operations. Pandemics, epidemics or disease outbreaks in the U. S. or globally, including the COVID- 19 pandemic, have disrupted, and may in the future disrupt, our business, which could materially affect our results of operations, financial condition, liquidity and future expectations. Any such events may adversely impact our global supply chain and global manufacturing operations and cause us to again suspend our operations. In particular, we could experience among other things: (1) global supply disruptions; (2) labor disruptions; (3) an inability to manufacture; (4) an inability to sell to our customers; (5) a decline in design studio traffic and customer demand during and following the pandemic; (6) lower than expected pricing on vehicles sold; and (7) an impaired ability to access credit and the capital markets. Any new pandemic or other public health crises, or future public health crises, could have a material impact on our business, financial condition and results of operations going forward. Risks Related to Ownership of the Company Common Stock The market price of our equity securities may be volatile, and your investment could suffer or decline in value. The stock markets, including the Nasdaq, on which certain of our securities are listed, have from time to time experienced significant price and volume fluctuations. Even if an active, liquid and orderly trading market develops and is sustained for the Common Stock and our Warrants, the market price of the Common Stock and our Warrants may be volatile and could decline significantly. Given the substantial amount of redemptions in connection with the Business Combination and the relative lack of liquidity in our stock, sales of our Common Stock under the registration statement of which this prospectus is a part could result in a significant

decline in the market price of our securities. On ~~May 2~~ **April 11, 2024** ~~2025~~, the ~~closing~~ ~~last reported sales~~ price of our Common Stock was \$ ~~10.19558~~ and the exercise price per share of the Warrants is \$ 11.5. The exercise price of the Warrants is significantly higher than the current market price of our Common Stock and accordingly, it is highly unlikely that Warrant holders will exercise their Warrants in the foreseeable future. Cash proceeds associated with the exercises of the Warrants are dependent on our stock price and given the recent price volatility of our Common Stock and relative lack of liquidity in our stock, there is no certainty that warrant holders will exercise their warrants and, accordingly, we may not receive any cash proceeds in relation to our outstanding Warrants. In addition, the trading volumes in shares of the Company Common Stock may fluctuate and cause significant price variations to occur. There can be no assurance that the market prices of shares of the Company Common Stock will not fluctuate widely or decline significantly in the future in response to a number of factors, including, among others, the following: ● the realization of any of the risk factors presented in this annual report; ● actual or anticipated differences in our estimates, or in the estimates of analysts, for our revenues, earnings, results of operations, level of indebtedness, liquidity or financial condition; ● failure to comply with the requirements of Nasdaq; ● variance in our financial performance from the expectations of market analysts; ● publication (or lack of publication) of research reports about the Company; ● failure of securities analysts to initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow us or our failure to meet these estimates or the expectations of investors; ● new laws, regulations, subsidies, or credits or new interpretations of existing laws applicable to us; ● actual or anticipated variations in our quarterly operating results; ● announcements by the Company or its competitors of significant business developments; ● the Company's ability to obtain adequate working capital financing; ● loss of any strategic relationships; ● actions by the Company's stockholders (including transactions in shares of the Company Common Stock); ● changes in applicable laws or regulations, court rulings, enforcement, and legal actions; ● sale of shares of the Company Common Stock or other securities in the future; ● changes in market valuations of similar companies and general market conditions in our industry; ● the trading volume of shares of the Company Common Stock; ● additions or departures of key management personnel; ● speculation in the press or investment community; ● continuing increases in market interest rates, which may increase the Company's cost of capital; ● changes in our industry; ● actual, potential, or perceived control, accounting, or reporting problems; ● changes in accounting principles, policies, and guidelines; ● other events or factors, including but not limited to those resulting from infectious diseases, health epidemics and pandemics (including but not limited to the ongoing COVID-19 pandemic) natural disasters, war, acts of terrorism, or responses to these events; ● our ability to execute the Company's business plan; ● actual, potential or perceived control, accounting or reporting problems; ● changes in the estimation of the future size and growth rate of our markets; ● broad disruptions in the financial markets, including sudden disruptions in the credit markets; and ● general economic and market conditions. In addition, the securities markets have periodically experienced extreme price and volume fluctuations that are unrelated to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of the Company Common Stock. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted against that company. If the Company were involved in any similar litigation it could incur substantial costs and its management's attention and resources could be diverted from running the business and implementing its business plan, which would have a material adverse effect on us. The Company will issue shares of the Company Common Stock or other equity or convertible debt securities without approval of the holders of the Company Common Stock, which would dilute then-existing ownership interests and may depress the market price of the Company Common Stock. The Company may continue to require capital investment to support its business and may issue additional shares of the Company Common Stock or other equity or convertible debt securities of equal or senior rank in the future without approval of its stockholders in certain of circumstances. The Company's issuance of additional shares of the Company Common Stock or other equity or convertible debt securities would have the following effects: (i) the Company's existing stockholders' proportionate ownership interest in the Company would decrease; (ii) the amount of cash available per share, including for payment of dividends in the future, may decrease; (iii) the relative voting power of each previously outstanding shares of the Company Common Stock may be diminished; and (iv) the market price of the Company Common Stock may decline. If securities or industry analysts do not publish research, publish inaccurate or unfavorable research, or cease publishing research about the Company, its share price and trading volume could decline significantly. The trading market for the Company Common Stock will depend, in part, on the research and reports that securities or industry analysts publish about the Company or its business. the Company may be unable to sustain coverage by well-regarded securities and industry analysts. If either no or only a limited number of securities or industry analysts maintain coverage of the Company, or if these securities or industry analysts are not widely respected within the general investment community, the demand for the Company Common Stock could decrease, which might cause its share price and trading volume to decline significantly. In the event that the Company obtains securities or industry analyst coverage or, if one or more of the analysts who cover the Company downgrade their assessment of the Company or publish inaccurate or unfavorable research about the Company's business, the market price and liquidity for the Company Common Stock could be negatively impacted. The resales of shares of the Company Common Stock issued to ECD Securityholders and other significant stockholders may cause the market price of the Company Common Stock to drop significantly, even if the Company's business is doing well. Immediately after Closing, the ECD Securityholders held approximately 74.5% of the outstanding shares of the Company Common Stock, approximately 4.3% of which will be eligible for sale pursuant to the Company Lock-Up Agreement and the Sponsor Lock-Up Agreement. Certain of the Company stockholders will be restricted, subject to certain exceptions, from selling any of the Company Common Stock that they receive in or hold at the Effective Time, which restrictions will expire and therefore additional the Company Common Stock will be eligible for resale six months after the Effective Time. Subject to the Company Lock-Up Agreements, the ECD Securityholders that are a party thereto (which are ECD's four executive officers and directors) may sell the Company Common Stock pursuant to Rule 144 under the Securities Act ("Rule 144"), if available. In these cases, the resales must meet the criteria and conform to

the requirements of that rule, including, waiting until one year after the Company's filing with the SEC of Form 10- type information reflecting the Business Combination. Upon expiration of the Lock- Up Periods, and upon effectiveness of the registration statement that the Company files pursuant to the Amended and Restated Registration Rights Agreement or upon satisfaction of the requirements of Rule 144, certain former EFHT stockholders and certain other significant stockholders of the Company may sell large amounts of the Company Common Stock in the open market or in privately- negotiated transactions, which could have the effect of increasing the volatility in the Company's share price or putting significant downward pressure on the price of the Company Common Stock. We do not expect that the Company will pay dividends in the foreseeable future after the Merger. We expect that the Company will retain most, if not all, of its available funds and any future earnings after the Merger to fund its operations and the development and growth of its business. As a result, we do not expect that the Company will pay any cash dividends on the Company Common Stock in the foreseeable future. Following completion of the Business Combination, the Company's board of directors will have complete discretion as to whether to distribute dividends. Even if the board of directors decides to declare and pay dividends, the timing, amount, and form of such dividends, if any, will depend on the future results of operations and cash flow, capital requirements and surplus, the amount of distributions, if any, received by the Company from its subsidiaries, the Company's financial condition, contractual restrictions, and other factors deemed relevant by the board of directors. There is no guarantee that the shares of the Company Common Stock will appreciate in value after the Business Combination or that the trading price of the shares will not decline. Holders of the Company Common Stock should not rely on an investment in shares of the Company Common Stock as a source for any future dividend income. The existence of indemnification rights to the Company's directors, officers, and employees may result in substantial expenditures by the Company and may discourage lawsuits against its directors, officers, and employees. The Amended Charter and bylaws, contain indemnification provisions for its directors, officers, and employees. Such indemnification obligations could result in the Company incurring substantial expenditures to cover the cost of settlement or damage awards against its directors, executive officers, and employees, which it may be unable to recoup. These provisions and resultant costs may also discourage the Company from bringing a lawsuit against its directors and executive officers for breaches of their fiduciary duties and may similarly discourage the filing of derivative litigation by its stockholders against its directors and officers even though such actions, if successful, might otherwise benefit the Company and its stockholders. If ECD fails to develop or maintain an effective system of internal control over financial reporting, it may not be able to accurately report its financial results or prevent financial fraud. As a result, current and potential stockholders could lose confidence in its financial reporting. ECD is subject to the risk that its independent registered public accounting firm could communicate to its board of directors that it has deficiencies in its internal control structure that they consider to be " significant deficiencies. " A " significant deficiency " is defined as a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is more than a remote likelihood that a material misstatement of the entity's financial statements will not be prevented or detected by the entity's internal controls. Effective internal control is necessary to provide reliable financial reports and effectively prevent fraud. If ECD cannot provide reliable financial reports or prevent fraud, it could be subject to regulatory action or other litigation and its operating results could be harmed. ECD's intended business, operations, and accounting are expected to be substantially more complex than ECD's has been to date. It may be time consuming, difficult, and costly for the Company to develop and implement the internal control and reporting procedures required by the Exchange Act. the Company may need to hire additional financial reporting, internal control, and other finance personnel in order to develop and implement appropriate internal control and reporting procedures. If ECD is unable to comply with the internal control over financial reporting requirements of the Exchange Act, then it may not be able to obtain the required independent accountant certifications, which may preclude it from keeping its filings current with the SEC. The Company did not timely file its Quarterly Report on Form 10- Q for the quarter ended September 30, 2023 and the Company may not be able to timely file its Exchange Act reports in the future. Further, a material weakness in the effectiveness of internal control over financial reporting could result in an increased chance of fraud and the loss of customers, reduce ECD's ability to obtain financing, and require additional expenditures to comply with these requirements, each of which could have a material adverse effect on its business, results of operations, and financial condition. If ECD is unable to implement and maintain effective internal control over financial reporting, including as applicable standards governing internal control are modified, supplemented, or amended from time to time, ECD may not be able to ensure that it can conclude on an ongoing basis that it has effective internal control over financial reporting. Failure to achieve and maintain effective internal control over financial reporting could cause ECD to face regulatory action and cause investors to lose confidence in its reported financial information, either of which could adversely affect the value of ECD's Common Stock. Agreements governing our debt obligations include financial and other covenants that provide limitations on our business and operations under certain circumstances, and failure to comply with any of the covenants in such agreements could adversely impact us. Our financing agreements, including those in connection with the Senior Secured Convertible Note and other financing agreements that we may enter into from time to time, contain certain affirmative, negative, and financial covenants, and other customary events of default. Certain covenants in our financing agreements are subject to important exceptions, qualifications, and cure rights. If we fail to comply with such covenants, if any other events of default occur for which no waiver or amendment is obtained, or if we are unable to timely refinance the debt obligations subject to such covenants or take other mitigating actions, the holders of our indebtedness could, among other things, declare outstanding amounts immediately due and payable, adjust the conversion ratio under the convertible note, and, subject to the terms of relevant financing agreements, repossess or foreclose on collateral, including certain of our assets used in our business. The acceleration of significant indebtedness, the downward adjustment of the conversion ratio or actions to repossess or foreclose on collateral may cause us to renegotiate, repay, or refinance the affected obligations, and there is no assurance that such efforts would be successful or on terms we deem attractive. In addition, any acceleration or actions to repossess or foreclose on collateral under our financing agreements could result in a downgrade of any credit ratings then applicable to us, which could

result in additional events of default or limit our ability to obtain additional financing. On December 12, 2023, the Company, through its predecessor EFHT, issued a Senior Secured Convertible Note with an aggregate principal amount equal to \$ 15, 819, 209 to Defender SPV LLC (the “ Lender ”) (the “ Convertible Note ”), pursuant to the previously disclosed Stock Purchase Agreement dated October 6, 2023. Certain events of default under the Convertible Note have occurred based on the following: the Company’ s failure to have its resale registration statement on Form S- 1 declared effective by the SEC within sixty (60) days of December 12, 2024, the fact that the financial statements of the Company’ s subsidiary for the years ended December 31, 2022 and 2021 and the quarterly periods ended March 31, 2023, June 30, 2023 and September 30, 2023 were required to be restated and due to the fact that the Company did not file its Annual Report on Form 10- K for year ended December 31, 2023 (the “ Form 10- K ”) within two (2) trading days of the filing due date for the Form 10- K. The Convertible Note provides for certain remedies based upon the occurrence of an event of default. The Company has spoken with the lender under the Convertible Note and plans to attempt to negotiate and enter into a default waiver agreement with the lender. However, there can be no assurances that the Company will be able to negotiate a waiver agreement with the lender. If the lender seeks to enforce its remedies under the Convertible Note and the lender is successful in obtaining such remedies, then such event could have a material negative effect on the business and finances of the Company. We do not have the right to control the timing and amount of the issuance of our Common Stock to Lender and, accordingly, it is not possible to predict the actual number of shares we will issue pursuant to the conversion of a Convertible Note at any one time or in total. We do not have the right to control the timing and amount of any issuances of our shares of Common Stock to the Lender upon conversion of the Convertible Note. The Convertible Note is convertible into Company Common Stock at the option of the Lender at a conversion price of \$ 10. 00 per share, subject to a one- time downward adjustment on the effective date of the registration statement providing for the resale of the Company Common Stock issuable upon conversion of the Convertible Note to a conversion price equal to the prior 5- day volume weighted average price, subject to a floor of \$ 6. 00. The conversion price is subject to a downward adjustment if the Company issues equity in the future at a price less than \$ 10. 00, except for equity issued in connection with certain strategic acquisitions. The conversion price is also subject to a downward adjustment if an event of default under the Convertible Note occurs or if the Company fails to satisfy certain performance conditions set forth in the Note. Upon the Lender’ s conversion of the Convertible Note, the conversion amount shall be equal to 115 % of the principal amount to be converted under the Convertible Note plus any accrued and unpaid interest, and accrued and unpaid Late Charges on such principal and interest, if any (the “ Conversion Rate ”). Our stockholders will experience significant dilution as a result of conversion of the Convertible Note and exercise of outstanding warrants held by the Lender. Our stockholders may experience significant dilution as a result of the conversion of the Convertible Note exercising of warrants. Immediately prior to the closing of the Business Combination on December 12, 2023, EFHT closed the debt financing transaction contemplated by the Securities Purchase Agreement, dated October 6, 2023 (the “ SPA ”), by and between EFHT and Defender SPV LLC (the “ Lender ”). Pursuant to the SPA, EFHT executed and delivered to the Lender the Convertible Note, in exchange for a loan in the principal amount of \$ 15, 819, 209. The Note is convertible into Company Common Stock at the option of the Lender at a conversion price of \$ 10. 00 per share, subject to a one- time downward adjustment on the effective date of the registration statement providing for the resale of the Company Common Stock issuable upon conversion of the Convertible Note to a conversion price equal to the prior 5- day volume weighted average price, subject to a floor of \$ 6. 00. The conversion price is subject to a downward adjustment if the Company issues equity in the future at a price less than \$ 10. 00, except for equity issued in connection with certain strategic acquisitions. The conversion price is also subject to a downward adjustment if an event of default under the Convertible Note occurs or if the Company fails to satisfy certain performance conditions set forth in the Note. Upon the Lender’ s conversion of the Convertible Note, the conversion amount shall be equal to 115 % of the principal amount to be converted under the Convertible Note plus any accrued and unpaid interest, and accrued and unpaid Late Charges on such principal and interest, if any (the “ Conversion Rate ”). In addition, ECD also issued to the Lender a warrant to purchase 1, 091, 525 shares of ECD Common Stock (“ Common Shares Warrant ”) at an exercise price of \$ 11. 50 per share, which became immediately exercisable upon the closing of the Business Combination, and a warrant to purchase 15, 819 shares of Series A Convertible Preferred Stock (“ Preferred Shares Warrant ”) at an exercise price of \$ 900 per share, which will become exercisable at any time on or after the later of (i) the issuance date of the Preferred Shares Warrant and (y) the date all of the initial Series A Convertible Preferred Stock issued to the Investor have been converted in full. Our stockholders will experience significant dilution as a result of conversion of the Convertible Note and exercise of outstanding warrants held by the Lender. Risks Related to Intellectual Property Confidentiality agreements with employees and others may not adequately prevent disclosure of trade secrets and other proprietary information and disclosure of our trade secrets or proprietary information could compromise any competitive advantage that we have, which could have a materially adverse effect on our business. Our success depends, in part, on our ability to protect our proprietary rights to the technologies used in our products and our proprietary technology. We depend heavily upon confidentiality agreements with our officers, employees, consultants, and subcontractors to maintain the proprietary nature of our technology. These measures may not afford us complete or even sufficient protection and may not afford an adequate remedy in the event of an unauthorized disclosure of confidential information. If we fail to protect and / or maintain our intellectual property, third parties may be able to compete more effectively against us, we may lose our technological or competitive advantage, and / or we may incur substantial litigation costs in our attempts to recover or restrict use of our intellectual property. In addition, others may independently develop technology similar to ours, otherwise avoiding the confidentiality agreements, or produce patents that would materially and adversely affect our business. Our failure to secure trademark registrations could adversely affect our ability to market our products and operate our business. Our trademark applications in the United States and any other jurisdictions where we may file may not be allowed registration, and we may not be able to maintain or enforce our registered trademarks. During trademark registration proceedings, we may receive rejections. Although we are given an opportunity to respond to those rejections, we may be unable to overcome such rejections. In addition, in the USPTO and in corresponding

foreign agencies, third parties are given an opportunity to oppose pending trademark applications and to seek to cancel registered trademarks. Opposition or cancellation proceedings may be filed against our applications and / or registrations, and our applications and / or registrations may not survive such proceedings. Failure to secure such trademark registrations in the United States and in foreign jurisdictions could adversely affect our ability to market our products and our business. There can be no assurance we will be able to comply with the continued listing standards of Nasdaq for our Common Stock. Our Common Stock and our Public Warrants are listed on the Nasdaq ~~Global Capital~~ Market, respectively, under the symbols “ ECDA ” and “ ECDAW, ” respectively. In order to maintain such listing, we must satisfy minimum financial and other continued listing requirements and standards. In the event we fail to comply with the continued listing requirements of Nasdaq, we can provide no assurance that any action taken by us to restore compliance with listing requirements would prevent our Common Stock from dropping below the Nasdaq minimum bid price requirement, improve our stockholders’ equity or otherwise prevent future non-compliance with Nasdaq’ s continued listing requirements. In such event, Nasdaq would delist our Common Stock. If our Common Stock or Warrants are subsequently delisted, it would likely have a negative effect on the price of such securities and would impair your ability to sell or purchase such securities when you wish to do so. Concentration of ownership among ECD’ s existing executive officers, directors and their affiliates may prevent new investors from influencing significant corporate decisions. Our directors and executive officers and their affiliates as a group beneficially own approximately 77. 3 % of our outstanding Common Stock. As a result, these stockholders will be able to exercise a significant level of control over all matters requiring stockholder approval, including the election of directors, any amendment of our certificate of incorporation and any approval of significant corporate transactions. This control could have the effect of delaying or preventing a change of control or changes in management and will make the approval of certain transactions difficult or impossible without the support of these stockholders. Sales of a substantial number of shares of our securities in the public market could cause the price of our securities to fall. As of ~~May 2, 2024~~ **April 11, 2024**, we had approximately ~~31,355,899~~ **35,899,385**, ~~633,662~~ outstanding shares of Common Stock and 25,000 shares of Preferred Stock. We also had outstanding **(1) Warrants to purchase 11,757,500 shares of our Common Stock, which Common Shares Warrants to purchase 1,091,525 shares of Common Stock and Preferred Shares Warrants to purchase 15,819 shares of our Preferred Stock. On May 2, 2024, the closing price on Nasdaq for our Common Stock was \$ 1.195 and for our Public Warrants was \$ 0.03. These outstanding Warrants are exercisable at an exercise price of \$ 11.50 per share, (2) Common Shares Warrants to purchase 1,569,562 shares of Common Stock, which are exercisable at a variable exercise price per share; (3) Common Stock Warrants to purchase 100,000 shares of Common Stock, which are exercisable at an exercise price of \$ 0.01 per share and (4) Preferred Shares Warrants to purchase 15,819 shares of our Preferred Stock, which are exercisable at a variable exercise price per share. On April 11, 2025, the closing price on Nasdaq for our Common Stock was \$ 0.58 and for our Public Warrants was \$ 0.02.** In addition, 400,000 shares of Common Stock will be available for future issuance under the 2023 Equity Incentive Plan. To the extent such warrants are exercised, or we grant additional stock options or other stock- based awards under the 2023 Equity Incentive Plan, additional shares of Common Stock will be issued, which will result in dilution to the holders of our Common Stock and increase the number of shares eligible for resale in the public market. Furthermore, although the shares of Common Stock issued in the Business Combination are subject to lock- up restrictions, as described elsewhere in this annual report, upon the lapse of these lock- up restrictions, a substantial number of additional shares of Common Stock will become eligible for resale in the public market. Sales of a substantial number of shares of Common Stock or warrants in the public market or the perception that these sales might occur could depress the market price of the Common Stock and / or warrants and could impair our ability to raise capital through the sale of additional equity securities. We are unable to predict the effect that sales may have on the prevailing market price of our Common Stock and warrants. The grant and future exercise of registration rights may adversely affect the market price of our securities upon consummation of the Business Combination. Pursuant to the amended and restated registration rights agreement entered into in connection with the Business Combination and which is described elsewhere in this annual report, certain stockholders can demand that we register their registrable securities under certain circumstances and will also have piggyback registration rights for these securities in connection with certain registrations of securities that we undertake. Following the consummation of the Business Combination, we intend to file and maintain an effective registration statement under the Securities Act covering such securities. The registration of these securities will permit the public resale of such securities. The registration and availability of such a significant number of securities for trading in the public market may have an adverse effect on the market price of our securities post- Business Combination. Our amended and restated certificate of incorporation grants our board the power to issue additional shares of common and preferred stock and to designate series of preferred stock, all without stockholder approval. We are authorized to issue 1,020,000,000 shares of capital stock, of which 20,000,000 shares is authorized as preferred stock. Our board of directors, without any action by our stockholders, may designate and issue shares of preferred stock in such series as it deems appropriate and establish the rights, preferences and privileges of such shares, including dividends, liquidation and voting rights, provided it is consistent with Delaware law. The rights of holders of our preferred stock that may be issued could be superior to the rights of holders of Common Stock. The designation and issuance of shares of capital stock having preferential rights could adversely affect other rights appurtenant to shares of the Common Stock. Further, any issuances of additional stock (common or preferred) will dilute the percentage of ownership interest of then current holders of our capital stock and may dilute the book value per share. Neither ECD nor EFHT has ever paid cash dividends on its capital stock, and we do not anticipate paying dividends in the foreseeable future. Neither ECD nor EFHT has ever paid cash dividends on any of its capital stock and we currently intend to retain any future earnings to fund the growth of our business. Any determination to pay dividends in the future will be at the discretion of our board of directors and will depend on our financial condition, operating results, capital requirements, general business conditions and other factors that the board may deem relevant. As a result, capital appreciation, if any, of our Common Stock will be the sole source of gain for the foreseeable future. The trading price our securities is likely to be volatile, and you may not be able to sell

our securities at or above the price you paid. We expect the trading price of our Common Stock and Warrants to be volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control. These factors include: ● actual or anticipated fluctuations in operating results; ● failure to meet or exceed financial estimates and projections of the investment community or that we provide to the public; ● issuance of new or updated research or reports by securities analysts or changed recommendations for our stock or the industry in general; ● announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures, collaborations or capital commitments; ● operating and share price performance of other companies that investors deem comparable to us; ● our focus on long- term goals over short- term results; ● the timing and magnitude of our investments in the growth of our business; ● actual or anticipated changes in laws and regulations affecting our business; ● additions or departures of key management or other personnel; ● disputes or other developments related to our intellectual property or other proprietary rights, including litigation; ● our ability to market new and enhanced products and technologies on a timely basis; ● sales of substantial amounts of the Common Stock by executive officers, directors or significant stockholders or the perception that such sales could occur; ● changes in our capital structure, including future issuances of securities or the incurrence of debt; ● the impact of the COVID- 19 pandemic and the response of governments and business to the pandemic; and ● general economic, political and market conditions. In addition, the stock market in general, and Nasdaq in particular, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry factors may seriously affect the market price of our securities, regardless of our actual operating performance. In addition, in the past, following periods of volatility in the overall market and the market price of a particular company' s securities, securities class action litigation has often been instituted against these companies. This litigation, if instituted against us, could result in substantial costs and a diversion of our management' s attention and resources. If securities or industry analysts issue an adverse opinion regarding our Common Stock or do not publish research or reports about us, the price and trading volume of our securities could decline. The trading market for our Common Stock and Warrants will depend in part on the research and reports that equity research analysts publish about us and our business. We do not control these analysts or the content and opinions included in their reports. Securities analysts may elect not to provide research coverage of our company and such lack of research coverage may adversely affect the market price of our Common Stock and Warrants. The price of our Common Stock and Warrants could also decline if one or more equity research analysts downgrade their recommendations with respect to our Common Stock and Warrants, change their price targets, issue other unfavorable commentary or cease publishing reports about us or our business. If one or more equity research analysts cease coverage of the company, we could lose visibility in the market, which in turn could cause the price of our securities to decline. We may redeem your unexpired warrants prior to their exercise at a time that is disadvantageous to you, thereby making your warrants worthless. We may redeem outstanding Warrants prior to their exercise at a time that is disadvantageous to you, thereby significantly impairing the value of such warrants. We will have the ability to redeem outstanding Warrants at any time after they become exercisable and prior to their expiration, at a price of \$ 0. 01 per warrant, provided that the closing price of Common Stock equals or exceeds \$ 18. 00 per share (as adjusted for share subdivisions, share capitalizations, reorganizations, recapitalizations and the like) for any 20 trading days within a 30 trading day period ending on the third trading day prior to the date on which a notice of redemption is sent to the warrant holders. The Private Warrants have terms and provisions that are identical to those of the warrants sold as part of the Public Warrants, including with respect to redeemability. We will not redeem the Warrants as described above unless a registration statement under the Securities Act covering the Common Stock issuable upon exercise of such Warrants is effective and a current prospectus relating to the Common Stock is available throughout the 30- day redemption period. If and when the Warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws. Redemption of the outstanding Warrants could force you (i) to exercise your Warrants and pay the exercise price therefor at a time when it may be disadvantageous for you to do so, (ii) to sell your Warrants at the then- current market price when you might otherwise wish to hold your Warrants, or (iii) to accept the nominal redemption price which, at the time the outstanding Warrants are called for redemption, is likely to be substantially less than the market value of your Warrants. The value received upon exercise of the Warrants (1) may be less than the value the holders would have received if they had exercised their Warrants at a later time where the underlying share price is higher and (2) may not compensate the holders for the value of the Warrants. In the event we elect to redeem the Warrants that are subject to redemption, we will mail the notice of redemption by first class mail, postage prepaid, not less than thirty days prior to the redemption date to the registered holders of the Warrants to be redeemed at their last addresses as they appear on the registration books. Any notice mailed in such manner will be conclusively presumed to have been duly given whether or not the registered holder received such notice, and we are not required to provide any notice to the beneficial owners of such warrants. Additionally, while we are required to provide such notice of redemption, we are not separately required to, and do not currently intend to, notify any holders of when the Warrants become eligible for redemption. If you do not exercise your Warrants in connection with a redemption, including because you are unaware that such Warrants are being redeemed, you would only receive the nominal redemption price for your Warrants. Anti- takeover provisions contained in our amended and restated certificate of incorporation and bylaws, and in applicable law, could impair a takeover attempt. Our amended and restated certificate of incorporation and bylaws afford certain rights and powers to our board of directors that could contribute to the delay or prevention of an acquisition that it deems undesirable, including: ● a classified board of directors with three- year staggered terms, which could delay the ability of stockholders to change the membership of a majority of our board of directors; ● the ability of our board of directors to issue shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer; ● the right of our board of directors to elect a director to fill a vacancy created by the expansion of our board of directors or the resignation, death or removal of a director, which may prevent stockholders from being able to

fill vacancies on our board of directors; ● the requirement that a special meeting of stockholders may be called only by our board of directors or the chairman of the board of directors, which could delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors; and We are also subject to Section 203 of the Delaware General Corporation Law and other provisions of Delaware law that limit the ability of stockholders in certain situations to effect certain business combinations. Any of the foregoing provisions and terms that has the effect of delaying or deterring a change in control could limit the opportunity for stockholders to receive a premium for their shares of Common Stock, and could also affect the price that some investors are willing to pay for the Common Stock. Our amended and restated certificate of incorporation provides, subject to limited exceptions, that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for certain stockholder litigation matters, which could limit stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or stockholders. Our amended and restated certificate of incorporation requires, to the fullest extent permitted by law, that derivative actions brought in our name, actions against directors, officers and employees for breach of fiduciary duty and other similar actions may be brought in the Court of Chancery in the State of Delaware or, if that court lacks subject matter jurisdiction, another federal or state court situated in the State of Delaware. These provisions will not apply to suits brought to enforce any liability or duty created by the Securities Act, the Securities Exchange Act, or any other claim for which the federal courts have exclusive jurisdiction. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and consented to the forum provisions in the amended and restated certificate of incorporation. In addition, the amended and restated certificate of incorporation and bylaws will provide that, to the fullest extent permitted by law, claims made under the Securities Act must be brought in federal district court. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, other employees or stockholders, which may discourage lawsuits with respect to such claims and result in increased costs for investors to bring a claim. Alternatively, if a court were to find the choice of forum provision contained in the amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition. Damage to our reputation or our brand could negatively impact our business, financial condition, and results of operations. We must grow the value of our brand to be successful. We intend to develop a reputation based on the high quality of our products, services, and trained personnel. If we do not make investments in areas such as marketing and advertising, as well as personnel training, the value of our brand may not increase or may be diminished. Any incident, real or perceived, regardless of merit or outcome, that adversely affects our brand, such as, but not limited to, vehicle quality, workmanship and delivery times, could significantly reduce the value of our brand, expose us to negative publicity, and damage our overall business and reputation. We may pursue acquisitions of complementary businesses or technologies, which could divert the attention of management and which may not be integrated successfully into our existing business. We may pursue acquisitions or licenses of technology to, among other things, expand the scope of products and services we provide. We cannot guarantee that we will identify suitable acquisition candidates, that acquisitions will be completed on acceptable terms, or that we will be able to successfully integrate the operations of any acquired business into our existing business. The acquisition and integration of another business or technology would divert management attention from other business activities, including our core business. In addition, we may borrow money or issue capital stock to finance acquisitions. Such borrowings might not be available on terms as favorable to us as our current borrowing terms and may increase our leverage, and the issuance of capital stock could dilute the interests of our stockholders. We depend on certain key personnel. We substantially rely on the efforts of our current senior management, including our co-founder and Chief Executive Officer, Scott Wallace and our co-founders Thomas Humble, Emily Humble and Elliot Humble. Our business would be impeded or harmed if we were to lose their services. In addition, if we are unable to attract, train, and retain highly skilled technical, managerial, product development, sales, and marketing personnel, we may be at a competitive disadvantage and unable to develop new products or increase revenue. The failure to attract, train, retain and effectively manage employees could negatively impact our research and development, sales and marketing and reimbursement efforts. In particular, the loss of sales personnel could lead to lost sales opportunities as it can take several months to hire and train replacement sales personnel. Uncertainty created by turnover of key employees could adversely affect our business. Members of our board of directors will have other business interests and obligations to other entities. None of our independent directors will be required to manage our business as their sole and exclusive function and they may have other business interests and may engage in other activities in addition to those relating to us, provided that such activities do not compete with the business of our company or otherwise breach their agreements with us. We are dependent on our directors and executive officers to successfully operate our company. Their other business interests and activities could divert time and attention from operating our business. We will need to carefully manage our expanding operations to achieve sustainable growth. To achieve increased revenue levels, market our products internationally, complete clinical studies and develop future products, we believe that we will be required to periodically expand our operations, particularly in the areas of manufacturing, sales and marketing, and quality assurance. As we expand our operations in these areas, management will face new and increased responsibilities. To accommodate any growth and compete effectively, we must continue to upgrade and improve our information systems, procedures, and controls across our business, as well as expand, train, motivate, and manage our work force. Our future success will depend significantly on the ability of our current and future management to operate effectively. Our personnel, systems, procedures, and controls may not be adequate to support our future operations. If we are unable to effectively manage our expected growth, this could have a material adverse effect on our business, financial condition, and results of operations. Downturns or volatility in general economic conditions could have a material adverse effect on our business, financial condition, results of operations and liquidity. Our revenues and profitability depend significantly on general economic conditions and the demand for our products in the markets in which our customers are located. Weaknesses in the global economy and financial markets, including the

current weaknesses resulting from the ongoing COVID- 19 pandemic or geopolitical instability, could lead to lower demand for our products. A decline in customer demand can affect the need that customers have for our products, and the money or insurance available to pay for our vehicles. Any further adverse changes in economic conditions, including any recession, economic slowdown or disruption of credit markets, or the outbreak of war or conflict, may also lead to lower demand for our products. Volatile and uncertain economic conditions can make it difficult to accurately forecast and plan future business activities. All of these factors related to general economic conditions, which are beyond our control, could adversely impact our business, financial condition, results of operations and liquidity. Our management team has limited experience managing a public company. Most members of our management team have limited or no experience managing a publicly- traded company, interacting with public company investors, and complying with the increasingly complex laws, rules and regulations that govern public companies. There are significant obligations that we will be subject to relating to reporting, procedures and internal controls, and our management team may not successfully or efficiently manage our transition to being a public company. These new obligations and added scrutiny will require significant attention from our management and could divert their attention away from the day- to- day management of our business, which could adversely affect our business, operating results and financial condition. Inadequate internal controls could result in inaccurate financial reporting. If we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results. As a result, our stockholders could lose confidence in our financial reporting, which could adversely affect results of our business and our enterprise value. We will need to undertake significant efforts to strengthen our processes and systems and adapt them to changes as our business evolves (including with respect to becoming a publicly traded company). This continuous process of maintaining and adapting our internal controls is expensive and time- consuming, and requires significant management attention. We cannot be certain that our internal control measures will, in the future, provide adequate control over our financial processes and reporting. Furthermore, as our business evolves and if we expand through acquisitions of other companies or make significant investments in other companies or enter into joint development and similar arrangements, our internal controls may become more complex and we will require significantly more resources to ensure our internal controls remain effective. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to meet our reporting obligations. If we or our independent registered public accounting firm identify material weaknesses, the disclosure of that fact, even if quickly remediated, could reduce the market' s confidence in our financial statements and harm our enterprise value. Management identified a material weakness in our internal control over financial reporting as of December 31, 2023 that required us to restate the financial statements in our third quarter Form 10- Q and our December 31, 2022 audited financial statements. If we are unable to develop and 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, materially and adversely affect our business and operating results and subject us to litigation and claims. 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 consolidated financial statements will not be prevented, or detected and corrected on a timely basis. Effective internal controls are necessary to provide reliable financial reports and reduce the risk of fraud. We continue to evaluate measures to remediate the material weakness. These remediation measures may be time consuming and costly and there is no assurance that these initiatives will ultimately have the intended effects. If any new material weaknesses are identified in the future, any such newly identified material weakness could limit our ability to prevent or detect a misstatement of our accounts or disclosures that could result in a material misstatement of our annual or interim consolidated financial statements. In such case, we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports in addition to applicable NASDAQ listing requirements, investors may lose confidence in our financial reporting and our share price may decline as a result. We cannot assure you that the measures we have taken to date, or any measures we may take in the future, will be sufficient to avoid potential future material weaknesses. Additionally, if our revenue and other accounting, auditing or tax systems do not operate as intended or do not scale with anticipated growth in our business, the effectiveness of our internal controls over financial reporting could be adversely affected. Any failure to develop, implement, or maintain effective internal controls related to our revenue and other accounting, auditing or tax systems and associated reporting could materially adversely affect our business, results of operations, and financial condition or cause us to fail to meet our reporting obligations. We have encountered difficulties with growth and change. If we fail to address these difficulties in assessing data usage, if the personnel handling our accounting, auditing or finance function fail to perform at an appropriate level for a public company, or if other weaknesses in internal controls are detected, it may be determined that we have a material weakness. In addition, most of our employees who work within our accounting, auditing and financial reporting functions have limited to no experience managing a publicly traded company and have limited to no experience implementing, monitoring and enforcing the internal financial, auditing and accounting controls for a publicly traded company. The identification of a material weakness could result in regulatory scrutiny and cause investors to lose confidence in our reported financial condition and otherwise have a material adverse effect on our business, financial condition, cash flow or results of operations. We are in the process of designing and implementing measures to improve our internal control over financial reporting to remediate any possible material weaknesses, primarily by implementing additional review procedures within our accounting, auditing and finance department, hiring additional staff, designing and implementing information technology and application controls in our financially significant systems, and, if appropriate, engaging external auditing and accounting experts to supplement our internal resources in our computation and review processes. While we are designing and implementing measures to remediate the material weaknesses, we cannot predict the success of such measures or the outcome of our assessment of these measures at this time. We can give no assurance that these measures will remediate either of the deficiencies in internal control or that additional material weaknesses or significant deficiencies in our internal control over financial reporting will not be identified in the future. Our failure to implement and maintain effective internal

control over financial reporting could result in errors in our consolidated financial statements that may lead to a restatement of our consolidated financial statements or cause us to fail to meet our reporting obligations. As a public company, we are required, pursuant to Section 404 of the Sarbanes- Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting for each annual report on Form 10- K to be filed with the SEC. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. We are required to disclose changes made in our internal controls and procedures on a quarterly basis. To comply with the requirements of being a public company, we expect to need to undertake various actions, such as implementing new internal controls and procedures and hiring accounting or internal audit staff. Failure to comply with the Sarbanes- Oxley Act could potentially subject us to sanctions or investigations by the SEC, the NYSE or other regulatory authorities, as well as subject us to litigation and claims, any of which would require additional financial and management resources. We have begun the costly and challenging process of compiling the system and processing documentation necessary to perform the evaluation needed to comply with Section 404, but we may not be able to complete our evaluation, testing and any required remediation in a timely fashion. As a public company, we have incurred and expect to continue to incur increased expenses associated with the costs of being a public company. We have and expect to continue to face a significant increase in insurance, legal, auditing, accounting, administrative and other costs and expenses as a public company that we did not currently incur as a private company. The Sarbanes- Oxley Act, including the requirements of Section 404 of that Act, as well as rules and regulations subsequently implemented by the SEC, the Dodd- Frank Act and the rules and regulations promulgated and to be promulgated thereunder, the Public Company Accounting Oversight Board (“ PCAOB ”), the SEC and the NASDAQ, impose additional reporting and other obligations on public companies. Compliance with public company requirements have and will continue to increase our costs and make certain activities more time- consuming. A number of those requirements require us to carry out activities that we have not done previously. For example, we recently created new board committees and adopted new internal controls and disclosure controls and procedures. In addition, additional expenses associated with SEC reporting requirements have and will continue to be incurred. Furthermore, if any issues in complying with those requirements are identified (for example, if our independent registered accounting firm identifies a material weakness or significant deficiency in the internal control over financial reporting), we could incur additional costs to remediate those issues, and the existence of those issues could adversely affect our reputation or investor perceptions of it. Being a public company has and may in the future make it more difficult or costly for us to obtain certain types of insurance, including director and officer liability insurance. We may ultimately be forced to accept reduced policy limits and coverage with increased self- retention risk or incur substantially higher costs to obtain the same or similar coverage in the future. Furthermore, if we are unable to satisfy our obligations as a public company, we could be subject to delisting of our common stock, fines, sanctions and other regulatory action and potentially civil litigation. The additional reporting and other obligations imposed by various rules and regulations applicable to public companies has and is expected to continue to increase legal and financial compliance costs and the costs of related legal, auditing, accounting and administrative activities. These increased costs will require us to divert a significant amount of money that could otherwise be used to expand the business and achieve strategic objectives. Advocacy efforts by shareholders and third parties may also prompt additional changes in governance and reporting requirements, which could further increase costs Our actual operating results may differ significantly from our guidance. From time to time, we provide forward- looking estimates regarding our future performance that represent our management’ s estimates as of a point in time. These forward- looking statements are based on projections prepared by our management. These projections are not prepared with a view toward compliance with published guidelines of the American Institute of Certified Public Accountants, and neither our independent registered public accountants nor any other independent expert or outside party compiles or examines the projections and, accordingly, no such person expresses any opinion or any other form of assurance on our projections. Projections are based upon a number of assumptions and estimates that, while presented with numerical specificity, are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control and are based upon specific assumptions with respect to future business decisions and conditions, some of which will change. The principal reason that we provide forward looking information is to provide a basis for our management to discuss our business outlook with stockholders. Forward- looking statements are necessarily speculative in nature, and it can be expected that some or all of the assumptions of our forward- looking statements will not materialize or will vary significantly from actual results. Accordingly, our forward- looking statements are only an estimate of what management believes is realizable as of the date of release. Actual results will vary from our forward- looking statements and the variations may be material. In light of the foregoing, investors are urged not to rely upon, or otherwise consider, our guidance in making investment decisions. We qualify as an “ emerging growth company ” within the meaning of the Securities Act, and if we take advantage of certain exemptions from disclosure requirements available to emerging growth companies, it could make our securities less attractive to investors and may make it more difficult to compare our performance to the performance of other public companies. We qualify as an “ emerging growth company ” as defined in Section 2 (a) (19) of the Securities Act, as modified by the JOBS Act. As such, we are eligible for and intend to take advantage of certain exemptions from various reporting requirements applicable to other public companies that are not emerging growth companies for as long as we continue to be an emerging growth company, including (a) the exemption from the auditor attestation requirements with respect to internal control over financial reporting under Section 404 (b) of the Sarbanes- Oxley Act, (b) the exemptions from say- on- pay, say- on- frequency and say- on- golden parachute voting requirements, and (c) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year in which the market value of Common Stock that are held by non- affiliates exceeds \$ 700. 0 million as of June 30 of that fiscal year, (ii) the last day of the fiscal year in which we have total annual gross revenue of \$ 1. 235 billion or more during such fiscal year (as indexed for inflation), (iii) the date on which we have issued more than \$ 1 billion in non- convertible debt in the prior three-

year period or (iv) the last day of the fiscal year following the fifth anniversary of the date of the first sale of Common Stock in the Company's initial public offering of units, which was consummated on September 13, 2022 (the "IPO"). In addition, Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of the exemption from complying with new or revised accounting standards provided in Section 7 (a) (2) (B) of the Securities Act as long as it is an emerging growth company. An emerging growth company can therefore delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected not to opt out of such extended transition period and, therefore, we may not be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies. Investors may find our securities less attractive because we will rely on these exemptions, which may result in a less active trading market for our securities.