

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

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

• resources could be wasted in researching acquisitions that are not completed, which could materially adversely affect subsequent attempts to locate and acquire or merge with another business. If we have not completed our initial business combination within the Combination Period, our public stockholders may receive only approximately \$ 10.63 per share (as of December 31, 2023), or less than such amount in certain circumstances, on the liquidation of our trust account and our warrants will expire worthless; • we may not be able to complete an initial business combination with certain potential target companies if a proposed transaction with the target company may be subject to review or approval by regulatory authorities pursuant to certain U. S. or foreign laws or regulations, including the Committee on Foreign Investment in the United States; • recent increases in inflation and interest rates in the United States and elsewhere could make it more difficult for us to consummate an initial business combination; • investments in entities that have undergone restructurings are subject to additional risks; • a 1 % U. S. federal excise tax may be imposed on us in connection with our redemptions of shares in connection with a business combination or other stockholder vote pursuant to which stockholders would have a right to submit their shares for redemption; • there is substantial doubt about our ability to continue as a “ going concern ”; and • adverse developments affecting the financial services industry, including events or concerns involving liquidity, defaults or non- performance by financial institutions, could adversely affect our business, financial condition or results of operations, or our prospects. Military or other conflicts in Ukraine, the Middle East or elsewhere may lead to increased volume and price volatility for publicly traded securities, or affect the operations or financial condition of potential target companies, which could make it more difficult for us to consummate an initial business combination. Military or other conflicts in Ukraine, the Middle East or elsewhere may lead to increased volume and price volatility for publicly traded securities, or affect the operations or financial condition of potential target companies, and to other company or industry- specific, national, regional or international economic disruptions and economic uncertainty, any of which could make it more difficult for us to identify a business combination target and consummate an initial business combination on acceptable commercial terms, or at all. Market conditions, economic uncertainty or downturns could adversely affect our business, financial condition, operating results and our ability to consummate a business combination. In recent years, the United States and other markets have experienced cyclical or episodic downturns, and worldwide economic conditions remain uncertain, including as a result of supply chain disruptions, the Ukraine- Russia conflict, conflict in the Middle East, instability in the U. S. and global banking systems, rising fuel prices, increasing interest rates or foreign exchange rates and high inflation and the possibility of a recession. A significant downturn in economic conditions may make it more difficult for us to consummate a business combination. We cannot predict the timing, strength, or duration of any future economic slowdown or any subsequent recovery generally, or in any industry. If the conditions in the general economy and the markets in which we operate worsen from present levels, our business, financial condition, operating results and our ability to consummate a business combination could be adversely affected. We may seek to further extend the Combination Period, which could have a material adverse effect on the amount held in our trust account and other adverse effects on our Company. We may seek to further extend the Combination Period. Such an extension would require the approval of our public stockholders, who will be provided the opportunity to redeem all or a portion their public shares. Such redemptions will likely have a material adverse effect on the amount held in our trust account, our capitalization, principal stockholders and other impacts on our Company or management team, such as our ability to maintain our listing on Nasdaq. If we seek to further extend the Combination Period, such extension would not be in compliance with Nasdaq rules, and unless Nasdaq were to grant us an exemption, will likely lead Nasdaq to suspend trading in or delist our securities. Our securities are listed on the Nasdaq Capital Market. Nasdaq IM- 5101- 2 requires that a SPAC complete one or more business combinations within 36 months of the effectiveness of its initial public offering registration statement, which, in our case, would be September 30, 2024 (the “ Nasdaq Deadline ”). If we were to seek to further extend the Combination Period beyond October 5, 2024, our Combination Period would extend beyond the Nasdaq Deadline. Consequently, further extension of our Combination Period does not comply with Nasdaq rules. There is a risk that, even if an extension were approved by our stockholders, trading in our securities may be suspended and we may be subject to delisting by Nasdaq. We cannot assure you that (i) Nasdaq will not delist our securities in the event such an extension were approved and we do not complete one or more business combinations by the Nasdaq Deadline, (ii) we will be able to obtain a hearing with Nasdaq’ s Hearings Panel to appeal the delisting determination, or (iii) our securities will not be suspended pending the Hearing Panel’ s decision. If Nasdaq delists any of our securities from trading on its exchange and we are not able to list our securities on another national securities exchange, we expect our securities could potentially be quoted on an over- the- counter market. However, if this were to occur, we could face significant material adverse consequences . Cyber incidents or attacks directed at us or third parties could result in information theft, data corruption, operational disruption and / or financial loss. We depend on digital technologies, including information systems, infrastructure and cloud applications and services, including those of third parties with whom we may deal. Sophisticated and deliberate attacks on, or security breaches in, our systems or infrastructure, or the systems or infrastructure of third parties or the cloud, could lead to corruption or misappropriation of our assets, proprietary information and sensitive or confidential data. As an early- stage company without significant investments in data

security protection, we may not be sufficiently protected against such occurrences. We also lack sufficient resources to adequately protect against, or to investigate and remediate any vulnerability to, cyber incidents. Any of these occurrences, or a combination of them, could have material adverse consequences on our business and lead to financial loss. Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect our business, including our ability to negotiate and complete our initial business combination, and results of operations. We are subject to laws and regulations enacted by national, regional and local governments. In particular, we are required to comply with certain SEC and other legal requirements and numerous complex tax laws. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly. Those laws and regulations and their interpretation and application may also change from time to time and those changes could have a material adverse effect on our business, investments and results of operations. In addition, a failure to comply with applicable laws or regulations, as interpreted and applied, could have a material adverse effect on our business, including our ability to negotiate and complete our initial business combination, and results of operations. On January 24, 2024, the SEC adopted the 2024 SPAC Rules requiring, among other matters, (i) additional disclosures relating to SPAC business combination transactions; (ii) additional disclosures relating to dilution and to conflicts of interest involving sponsors and their affiliates in both SPAC initial public offerings and business combination transactions; (iii) additional disclosures regarding projections included in SEC filings in connection with proposed business combination transactions; and (iv) the requirement that both the SPAC and its target company be co-registrants for business combination registration statements. In addition, the SEC's adopting release provided guidance describing circumstances in which a SPAC could become subject to regulation under the Investment Company Act, including its duration, asset composition, business purpose, and the activities of the SPAC and its management team in furtherance of such goals. Compliance with the 2024 SPAC Rules and related guidance may (i) increase the costs of and the time needed to negotiate and complete an initial business combination and (ii) constrain our ability to complete an initial business combination. If we are deemed to be an investment company under the Investment Company Act, we may be required to institute burdensome compliance requirements and our activities may be restricted, which may make it difficult for us to complete our initial business combination. The SEC's adopting release with respect to the 2024 SPAC Rules provided guidance relating to the potential status of SPACs as investment companies subject to regulation under the Investment Company Act and the regulations thereunder. Whether a SPAC is an investment company is dependent on specific facts and circumstances and we can give no assurance that a claim will not be made that we have been operating as an unregistered investment company. If we are deemed to be an investment company under the Investment Company Act, our activities may be restricted, including (i) restrictions on the nature of our investments; and (ii) restrictions on the issuance of securities, each of which may make it difficult for us to complete our initial business combination. In addition, we may have imposed upon us burdensome requirements, including: ~~• a limited availability~~ (i) registration as an investment company; (ii) adoption of a specific form of corporate structure; and (iii) reporting, record keeping, voting, proxy and disclosure requirements and other rules and regulations. In order not to be regulated as an investment company under the Investment Company Act, unless we can qualify for an exclusion, we must ensure that we are engaged primarily in a business other than investing, reinvesting or trading in securities and that our activities do not include investing, reinvesting, owning, holding or trading "investment securities" constituting more than 40% of our total assets (exclusive of U. S. government securities and cash items) on an unconsolidated basis. We are mindful of the SEC's investment company definition and guidance and intend to complete an initial business combination with an operating business, and not with an investment company, or to acquire minority interests in other businesses exceeding the permitted threshold. We do not believe that our business activities will subject us to the Investment Company Act. To this end, the proceeds held in the trust account were initially invested only in U. S. government treasury obligations with a maturity of 185 days or less or in money market quotations funds meeting certain conditions under Rule 2a-7 under the Investment Company Act, which invest only in direct U. S. government treasury obligations; the holding of these assets in this form is intended to be temporary and for the sole purpose of facilitating the intended business combination. To mitigate the risk that we might be deemed to be an investment company for purposes of the Investment Company Act, which risk increases the longer that we hold investments in the trust account, in November 2023, we instructed Continental, as trustee of the trust account, to liquidate the investments held in the trust account and instead to hold the funds in the trust account in cash ~~our~~ or in an interest bearing demand deposit account at a bank. Pursuant to the Investment Management Trust Agreement, dated September 30, 2021, by and between the Company and Continental, as trustee, Continental is not permitted to invest in securities or assets other than as described above. By restricting the investment of the proceeds to these instruments, and by having a business plan targeted at acquiring and growing businesses for the long term (rather than on buying and selling businesses in the manner of a merchant bank or private equity fund), we intended to avoid being deemed an "investment company" within the meaning of the Investment Company Act. Our initial public offering was not intended for persons who were seeking a return on investments in government securities or investment securities. The trust account is intended solely as a temporary depository for funds pending the earliest to occur of: (i) the completion of our initial business combination; ~~• reduced liquidity~~ (ii) the redemption of any public shares properly submitted in connection with a stockholder vote to amend our amended and restated certificate of incorporation (x) in a manner that would affect the substance ~~for~~ or timing of our securities obligation to redeem 100% of our public shares if we do not complete our initial business combination within the Combination Period; ~~• a determination that~~ or (y) with respect to any other provision relating to the rights of holders of shares of our Class A common stock is a "penny stock" which will require brokers trading in our ~~or pre-~~ initial business combination. Class A common stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in

the secondary trading market for our securities; • a limited amount of news and analyst coverage; • a decreased ability to issue additional securities or obtain additional financing in the future; and • being subject to regulation in each state in which we offer our securities, including in connection with our initial business combination within . Adverse developments affecting the **Combination Period** financial services industry, including events or **our return** concerns involving liquidity, defaults or non-performance by financial institutions, could adversely affect our business, financial condition or results of the operations, or our prospects. The funds held in the our operating account and our trust account **to our public stockholders as part of our redemption of the public shares. We** are held in banks or other financial institutions **aware of litigation claiming that certain SPACs should be considered investment companies. Although we believe that these claims** Such funds exceeding \$ 250,000 are **without merit** not insured against loss by the Federal Deposit Insurance Corporation (“FDIC”). Should events, including limited liquidity, defaults, non-performance or other adverse developments occur with respect to the banks or other financial institutions that hold our funds, or that affect financial institutions or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, our liquidity may be adversely affected. For example, on March 10, 2023, the FDIC announced that Silicon Valley Bank had been closed by the California Department of Financial Protection and Innovation. Although we did not have any funds in Silicon Valley Bank or other institutions that have been closed, we cannot guarantee that **we** the banks or other financial institutions that hold our funds will not experience similar issues **be deemed to be an investment company and thus subject to the Investment Company Act. In** **If we were deemed to be subject to the Investment Company Act, compliance with these** addition **additional regulatory burdens** ; investor concerns regarding the U. S. or international financial systems could **would require additional expenses for which we have not allotted funds and may hinder our ability to complete an initial business combination or may** result in less favorable commercial financing terms, including higher interest rates or **our** costs and tighter financial and operating covenants, **liquidation. If we are unable to complete** or **our initial** systemic limitations on access to credit and liquidity sources, thereby making it more difficult for us to acquire financing on terms favorable to us in connection with a potential business combination, or **our** at all **public stockholders may receive only approximately \$ 10. 63 (as of December 31 , 2023) per public share upon the liquidation of** and could have material adverse impacts on our liquidity, our business, financial condition or **our trust account** results of operations, and our prospects **warrants will expire worthless** . For **additional** the complete list of risks relating to our operations , **other than the above** , see the section titled “ Risk Factors ” contained in our (i) IPO Registration Statement filed with the SEC on September 9, 2021, (ii) Annual **Report Reports** on Form 10- K for the fiscal **year years** ended December 31, 2021 **and December 31, 2022**, filed with the SEC on April 1, 2022 **and April 3, 2023, respectively** . (iii) quarterly **report reports** on Form 10- Q for the **quarter quarters** ended September 30, 2021, **March 31, 2022, June 30, 2022, September 30, 2022 and March 31, 2023**, filed with the SEC on November 11, 2021 and (v) quarterly reports on Form 10- Q for the quarters ended, March 31, 2022, June 30, 2022 and September 30, 2022, filed with the SEC on May 13, 2022, August 12, 2022 and, November 10, 2022 **and May 15, 2023** , respectively, and (vi) Definitive Proxy **Statement Statements** on Schedule 14A filed the SEC on November 9, 2022 , **June 6, 2023 and November 28, 2023** . Any of these factors could result in a significant or material adverse effect on our results of operations or financial condition. Additional risks could arise that may also affect our business or ability to consummate an initial business combination. We may disclose changes to such risk factors or disclose additional risk factors from time to time in our future filings with the SEC. For additional risk factors relating to DePalma and the DePalma Business Combination, see the DePalma Registration Statement once **publicly** filed with the SEC. Item 1B. Unresolved Staff Comments. Not applicable. Item 2-**1C. Properties Cybersecurity** . **As a blank check company** Our executive offices are located at 411 Theodore Fremd Avenue , **we do not have any operations** Suite 206S, Rye, New York, 10580 and our **sole business activity has been to search** telephone number is (914) 415- 4081. The cost for **and consummate a business combination. However, because we have investments in our trust account and bank deposits and we depend on the digital technologies of third parties, we and third parties may be subject to attacks on our- or use security breaches in our or their systems. Because of our reliance on the technologies of third parties, we also depend upon the personnel and the processes of third parties to protect against cybersecurity threats, and we have no personnel or processes of our own for this purpose** space is included in the \$ 10,000 per month fee we pay to our sponsor for office space, administrative and shared personnel support services. **In** We consider our current office space adequate for our current operations. Item 3. Legal Proceedings. To the knowledge **event of our a cybersecurity incident impacting us, the** management team **will report to there-- the board of directors and provide updates on the management team’ s incident response plan for addressing and mitigating any risks associated with such an incident. As an early- stage company without significant investments in data security protection, we may not be sufficiently protected against such occurrences. We also lack sufficient resources to adequately protect against, or to investigate and remediate any vulnerability to, cyber incidents. It is possible that no litigation currently pending or contemplated against us, any of these occurrences, our- or officers a combination of them, could have material adverse consequences on or our directors in their capacity as such or against business and lead to financial loss. We have not encountered any of cybersecurity incidents since our property initial public offering.** 20 Item 4. Mine Safety Disclosures. Not applicable. 26