

Risk Factors Comparison 2024-04-12 to 2023-03-31 Form: 10-K

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

As a smaller reporting company under Rule 12b- 2 of the Exchange Act, we are not required to include risk factors in this Report. However, ~~below~~ **the following** is a partial list of material risks, uncertainties and other factors that could have a material effect on ~~us~~ **the Company** and ~~its~~ **our** operations: • we are a blank check company **and an early stage** with no revenue or basis to evaluate our ability to select a suitable business target; • we may not be able to select an appropriate target business or businesses and complete our initial ~~business~~ **Business combination-Combination , including the Flybondi Business Combination**, in the prescribed time frame; • our expectations around the performance of a prospective target business or businesses **, such as Flybondi** may not be realized; • we may not be successful in retaining or recruiting required officers, key employees or directors following our initial ~~business~~ **Business combination-Combination , including the Flybondi Business Combination** ; • our officers and directors may have difficulties allocating their time between ~~the~~ **our** Company and other businesses and may potentially have conflicts of interest with our business or in approving our initial ~~business~~ **Business combination-Combination** ; • we may not be able to obtain additional financing to complete our initial ~~business~~ **Business combination-Combination** or reduce the number of stockholders requesting redemption; • we may issue our shares to investors in connection with our initial ~~business~~ **Business combination-Combination** at a price that is less than the prevailing market price of our shares at that time; • ~~you~~ **our stockholders** may not be given the opportunity to choose the initial business target or to vote on the initial ~~business~~ **Business combination-Combination** ; • ~~trust~~ **Trust account-Account** funds may not be protected against third party claims or bankruptcy; • an active market for our public securities may not develop and ~~you~~ **our stockholders** will have limited liquidity and trading; • ~~the availability to us of funds from interest income on the trust account balance may be insufficient to operate our business prior to the business combination~~; • our financial performance following a ~~business~~ **Business combination-Combination** with an entity may be negatively affected by their lack an established record of revenue, cash flows and experienced management; • there may be more competition to find an attractive target for an initial ~~business~~ **Business combination-Combination** , which could increase the costs associated with completing our initial ~~business~~ **Business combination-Combination** and may result in our inability to find a suitable target; • changes in the market for directors and officers liability insurance could make it more difficult and more expensive for us to negotiate and complete an initial ~~business~~ **Business combination-Combination** ; • **if we do not consummate Flybondi Business Combination**, we may attempt to simultaneously complete ~~business~~ **Business combinations-Combinations** with multiple prospective targets, which may hinder our ability to complete our initial ~~business~~ **Business combination-Combination** and give rise to increased costs and risks that could negatively impact our operations and profitability; • we may engage one or more of our underwriters or one of their respective affiliates to provide additional services to us after the ~~initial~~ **Initial public Public offering-Offering** , which may include acting as a financial advisor in connection with an initial ~~business~~ **Business combination-Combination** or as placement agent in connection with a related financing transaction . ~~Our underwriters are entitled to receive deferred underwriting commissions that will be released from the trust account only upon a completion of an initial business combination~~. These financial incentives may cause them to have potential conflicts of interest in rendering any such additional services to us after the ~~initial~~ **Initial public Public offering-Offering** , including, for example, in connection with the sourcing and consummation of an initial ~~business~~ **Business combination-Combination** ; • we may attempt to complete our initial ~~business~~ **Business combination-Combination** with a private company about which little information is available, **such as Flybondi**, which may result in a ~~business~~ **Business combination-Combination** with a company that is not as profitable as we suspected, if at all; • since our ~~initial~~ **Initial stockholders-Stockholders** will lose their entire investment in us if our initial ~~business~~ **Business combination-Combination** is not completed (other than with respect to any ~~public~~ **Public shares-Shares** they may acquire during or after our ~~initial~~ **Initial public Public offering-Offering**), and because our ~~sponsor~~ **Sponsor** , officers and directors may profit substantially even under circumstances in which our ~~public~~ **Public stockholders-Stockholders** would experience losses in connection with their investment, a conflict of interest may arise in determining whether a particular ~~business~~ **Business combination-Combination** target is appropriate for our initial ~~business~~ **Business combination-Combination** ; • ~~changes in laws or regulations or how such laws or regulations are interpreted or applied, or a failure to comply with any laws or regulations, may adversely affect our business, including our ability to negotiate and complete our initial business combination, and results of operations~~; • ~~the value of the founder~~ **Founder shares-Shares** following completion of our initial ~~business~~ **Business combination-Combination** is likely to be substantially higher than the nominal price paid for them, even if the trading price of our ~~common~~ **Common stock-Stock** at such time is substantially less than \$ 10. ~~00-81~~ **per share , which is the per share value of the Trust Account as of December 31, 2023 (before taxes paid or payable)** ; ~~19-~~ 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~~ **Business combination-Combination** within the Combination Period, our ~~public~~ **Public stockholders-Stockholders** may receive only approximately \$ 10. ~~15-81~~ **(before (i) taxes paid or payable and (ii) potential dissolution expenses of up to \$ 100, 000; as of December 31, 2023)** , or less than such amount in certain circumstances, on the liquidation of our ~~trust~~ **Trust account-Account** and our ~~warrants~~ **Warrants** will expire worthless; • in March 2022, the SEC issued proposed rules relating to certain activities of SPACs. ~~Certain of the procedures that we~~ , a potential business combination target, or others may **not be able** determine to undertake in connection with such proposals may increase our costs and the time needed to complete ~~our~~ **an** initial ~~business~~ **Business combination-Combination** and may constrain the circumstances under which we could complete an initial business

combination. The need for compliance with such proposals may cause us to liquidate the funds in the trust account or liquidate the Company at an earlier time than we might otherwise choose; • if we are deemed to be an investment company for purposes of the Investment Company Act, we would be required to institute burdensome compliance requirements and our activities would be severely restricted. As a result, in such circumstances, unless we are able to modify our activities so that we would not be deemed an investment company, we may abandon our efforts to complete an initial business combination and instead liquidate the Company; • to mitigate the risk that we might be deemed to be an investment company for purposes of the Investment Company Act, we may, at any time, instruct the trustee to liquidate the investments held in the trust account and instead to hold the funds in the trust account in an interest bearing demand deposit account until the earlier of the consummation of our initial business combination or our liquidation. As a result, following the liquidation of investments in the trust account, we would likely receive less interest on the funds held in the trust account, which would likely reduce the dollar amount our public stockholders would receive upon any redemption or liquidation of the Company; • 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 ; • **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; • market conditions, economic uncertainty or downturns could adversely affect our business, financial condition, operating results and our ability to consummate a Business Combination** ; • 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~~ **Business combination-Combination** ; • military ~~or other~~ **conflict 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~~ **Business combination-Combination** ; • **the a 1 % U. S. federal excise Excise tax-Tax** may be imposed on us in connection with our redemptions of shares in connection with a ~~business~~ **Business combination-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 20** • we have identified material weaknesses in our internal control over financial reporting as of December 31, ~~2022~~ **2023** . 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 and materially and adversely affect our business and operating results. **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 the Nasdaq Capital Market. 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 November 4, 2024 (the “ Nasdaq Deadline ”). If we were to seek to further extend the Combination Period beyond November 4, 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 and we are unable 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 the circumstances under which we could affect 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. 21 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: (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 Treasury obligations with a maturity of 185 days or less or in money market funds meeting certain conditions under Rule 2a-7 under the Investment Company Act, which invest only in direct 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, on October 31, 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 or in an interest bearing demand deposit account at a JPMorgan Chase Bank, N. A. Pursuant to the Trust Agreement, 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; (ii) the redemption of any Public Shares properly submitted in connection with a stockholder vote to amend our Amended and Restated Charter (x) in a manner that would affect the substance or timing of our obligation to redeem 100% of our Public Shares if we do not complete our initial Business Combination within the Combination Period; or (y) with respect to any other provision relating to the rights of holders of shares of our Class A Common Stock or pre-initial Business Combination activity; or (iii) absent an initial Business Combination within the Combination Period, our return of the funds held in the Trust Account to our Public Stockholders as part of our redemption of the Public Shares. We are aware of litigation claiming that certain SPACs should be considered investment companies. Although we believe that these claims are without merit, we cannot guarantee that we will not be deemed to be an investment company and thus subject to the Investment Company Act. If we were deemed to be subject to the Investment Company Act, compliance with these additional regulatory burdens 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 our liquidation. If we are unable to complete our initial Business Combination, our Public Stockholders may receive only approximately \$ 10.81 (before (i) taxes paid or payable and (ii) potential dissolution expenses of up to \$ 100,000) per Public Share upon the liquidation of our Trust Account and our Warrants will expire worthless. For additional risks relating to our operations, other than as set forth above, see the section titled "Risk Factors" contained in our (i) IPO Registration Statement, (ii) 2022 Annual Report and 2021 Annual Report, (iii) Quarterly Report on Form 10-Q for the quarter ended March 31, 2022, as filed with the

SEC on May 16, 2022, (iv) our Quarterly Report on Form 10- Q for the quarter ended June 30, 2022, as filed with the SEC on August 15, 2022, (v) Quarterly Report on Form 10- Q for the quarter ended September 30, 2022, as filed with the SEC on November 14, 2022, (vi) Quarterly Report on Form 10- Q for the quarter ended March 31, 2023, as filed with the SEC on May 15, 2023, (vii) Quarterly Report on Form 10- Q for the quarter ended September 30, 2023, as filed with the SEC on November 21, 2023, and (viii) Definitive Proxy Statement on Schedule 14A as filed with the SEC on October 20, 2023. 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 risks related to Flybondi and the Flybondi Business Combination, please see the Flybondi Registration Statement once filed. 22