Risk Factors Comparison 2024-04-01 to 2023-03-16 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 the filing of this Form 10- K. 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. Our actual results may differ materially from any future results expressed or implied by such forward- looking statements as a result of various factors, including, but not limited to, those discussed in the sections of this Form 10- K entitled " Forward- Looking Statements " and " Management' s Discussion and Analysis of Financial Condition and Results of Operations. ~~RISKS RELATED TO OUR BUSINESS Atlis~~ **Risk Factors Summary The following is a summary of the principal factors that make an investment in our securities speculative or risky, all of which are more fully described below in this section. This summary should be read in conjunction with the full description of" Risk Factors" in this section and should not be relied upon as an exhaustive summary of the material risks facing our business. In addition to the following summary and the information in this section, you should consider the other information contained in this Annual Report on Form 10- K before investing in our securities. Risks Related to Our Business · Nxu** is an early- stage company **with a limited operating history** that has never turned a profit and there are no assurances that the Company will ever be profitable. ~~Atlis is a relatively new company that was incorporated on November 9~~ **· We are in the development stages of many of our products** , ~~2016~~ **which face technical, significant cost, and regulatory challenges we may not be able to overcome** . **· We may not achieve our projected development goals in the time frames we announce and expect due to unforeseen factors, including scarcity of natural resources, increases in costs of raw materials, disruption of supply chain or shortages of materials, rising interest rates and inflation increasing the cost to do business. ·** If **we cannot continue to innovate** ~~you are investing in this company~~ , ~~it is because you think Atlis~~ **our projected revenue growth rate and profits may be reduced. · Nxu** ' s **estimates of market opportunity and forecasts of market growth may prove to be inaccurate. · The success of our** business **depends on attracting** ~~model is a good idea,~~ and **retaining a** ~~Atlis will be able to successfully grow their business and become profitable. We have yet to fully develop or sell any electric vehicles. We are~~ **large number** ~~launching our Energy business and have yet to start mass manufacturing~~ of **customers** ~~battery cells and pack solutions~~ . **If** ~~As of right now,~~ we are ~~aiming~~ **unable** to **do so, we will** ~~develop an electric truck that currently has no~~ **not** ~~commercial contemporaries~~ **be able to achieve profitability** . **· Nxu' s growth and** ~~In the meantime, other companies could develop successful~~ --- **success** ~~alternatives~~ **are highly correlated with and thus dependent upon the continuing rapid adoption of and demand for EVs and OEMs' ability to supply such EVs to the market** . **·** We ~~have never turned a profit and~~ **generated revenue for the first time in 2023, but** there is no assurance that we ~~will ever~~ **' ll** be ~~profitable~~ **able to continue to generate revenue from the sale or deployment of the NxuOne ™ Charging Network or from the sale of other proprietary products** . **·** We ~~also~~ have **losses which we expect to continue into the future. There is** no **assurance** ~~history in the automotive industry. Although Atlis has taken significant steps in developing brand awareness, Atlis is a new company and currently has no experience developing or~~ **our future** ~~selling motor vehicles. As such, it is possible that Atlis' s lack of history in the industry may impact our brand, business, financial goals, operation performance, and products. We should be considered a " Development Stage Company, " and our~~ operations will **result** ~~be subject to all the risks inherent~~ in ~~the establishment of~~ a **profit** ~~new business enterprise, including, but not limited to, hurdles or barriers to the implementation of our business plans~~ . **If** ~~Further, because there is no history of operations there is also no operating history from which to evaluate our executive management' s ability to manage our business and operations and achieve our goals or the likely performance of the Company. Prospective investors should also consider the fact that our management team has not previously developed or managed similar companies. No assurances can be given that~~ we **cannot** ~~will be able to achieve or sustain profitability. Our limited operating history makes it difficult for us to evaluate our future business prospects. We are a company with an extremely limited operating history and have not generated~~ - **generate** ~~material~~ **sufficient** ~~revenue~~ **revenues** ~~from sales of~~ **to operate profitably** ~~our~~ - **or** ~~vehicles or other products and services to date. As we continue to transition from research and development activities to production and sales, it is difficult, if not impossible, to forecast our future results, and we have limited insight into trends that may emerge and affect our business. The estimated costs and timelines that we have developed to reach full scale commercial production are subject to inherent risks and uncertainties involved in the transition from a start- up company focused on research and development activities to the large- scale manufacture and sale of vehicles. There can be no assurance that our estimates related to the costs and timing necessary to complete the design and engineering of our products will prove accurate. These are complex processes that may be subject to delays, cost overruns and other unforeseen issues. In addition, we have engaged in limited marketing activities to date, so even if~~ we are ~~able~~ **unable** to ~~bring our~~ **raise enough additional funds for operations,** ~~other~~ -- **the stockholders** ~~commercial products to market, on time and on budget, there can be no assurance that customers~~ will ~~embrace our products~~ **experience a decrease** in ~~significant numbers~~ **value, and we may have to cease operations. · We employ a small team of people and each team member plays a critical role** at **Nxu** ~~the prices we establish. Market and geopolitical conditions, many of which are outside of our control and subject to change, including general economic conditions, the availability and terms of financing, the impacts and ongoing uncertainties created by the COVID- 19 pandemic, the conflict in the Ukraine, fuel and energy prices, regulatory requirements and incentives, competition, and the pace and extent of vehicle electrification generally, will impact demand for our products, and ultimately our success. Our ability to develop and manufacture vehicles of sufficient quality and~~

~~appeal to customers on schedule and on a large scale is unproven. Our business depends largely on our ability to develop, manufacture, market, and sell our vehicles. Our production ramp may take longer than originally expected due to a number of reasons. The cascading impacts of the COVID- 19 pandemic, and more recently the conflict in Ukraine, have impacted our business and operations from facility construction to equipment installation to vehicle component supply. 8 We have not launched a production- intent consumer vehicle and do not anticipate making our first deliveries for the next few years. In conjunction with the launch of future products we may need to manufacture our vehicles in increasingly higher volumes than our present production capabilities. We have no experience as an organization in high volume manufacturing of EVs. The continued development of and the ability to manufacture our vehicles at scale and fleet vehicles and other commercial products are and will be subject to risks, including with respect to: · our ability to secure necessary funding; · our ability to negotiate and execute definitive agreements, and maintain arrangements on reasonable terms, with our various suppliers for hardware, software, or services necessary to engineer or manufacture parts or components of our vehicles; · securing necessary components, services, or licenses on acceptable terms and in a timely manner; · delays by us in delivering final component designs to our suppliers; · our ability to accurately manufacture vehicles within specified design tolerances; · quality controls, including within our manufacturing operations, that prove to be ineffective or inefficient; · defects in design and / or manufacture that cause our vehicles not to perform as expected or that require repair, field actions, including product recalls, and design changes; · delays, disruptions, or increased costs in our supply chain, including raw material supplies; · other delays, backlog in manufacturing and research and development of new models, and cost overruns; · obtaining required regulatory approvals and certifications; · compliance with environmental, safety, and similar regulations; and · our ability to attract, recruit, hire, retain, and train skilled employees. Our ability to develop, manufacture, and obtain required regulatory approvals for vehicles of sufficient quality and appeal to customers on schedule and on a large scale is unproven. Our vehicles may not meet customer expectations and may not be commercially viable. Historically, automobile customers have expected car manufacturers to periodically introduce new and improved vehicle models. In order to meet these expectations, we may be required to introduce new vehicle models and enhanced versions of existing models. To date, we have limited experience, as a company, designing, testing, manufacturing, marketing, and selling our vehicles and therefore cannot assure you that we will be able to meet customer expectations~~ . Any **loss** of **talent may** ~~the foregoing could~~ have a material adverse effect on our business **and operations. · If we pursue strategic investments** , ~~prospects,~~ **they may result in losses. · The preparation of our** financial ~~condition~~ **statements requires estimates** , ~~results of operations,~~ **judgments and assumptions that are inherently uncertain. · Failure to maintain internal controls over financial reporting would have** ~~and~~ - **an** ~~cash flows~~ **adverse impact on us** . **·** Uncertainty exists as to whether our business will have sufficient funds over the next 12 months, thereby making an investment in ~~Atlis~~ **Nxu** speculative. **·** We require additional financing to complete development...... or change product performance expectations. 9 We need to raise additional capital to meet our future business requirements and such capital raising may be costly or difficult to obtain and could dilute current stockholders' ownership interest. ~~We have~~ **· Nxu** ~~relied~~ **relies on a limited number of suppliers and manufacturers for its charging stations. A loss of any of these partners could negatively affect its business or ability to manufacture and deliver NxuOne ™ Charging Stations · Unknown costs and risks may exist with the prolonged use of NxuOne ™ Charging Network equipment and related systems, as the technology is recently developed and has not been widely deployed. · Nxu is dependent** upon ~~cash from financing activities and in~~ the **availability of electricity at Nxu' s current and** future **charging stations. Cost increases** , ~~we expect to rely~~ **delays and / or other restrictions** on the ~~proceeds from future debt~~ **availability of electricity would adversely affect Nxu' s business** and **results of Nxu' s** ~~/ or equity financings, and we hope to rely on revenues generated from~~ operations ~~to fund all of the cash requirements of our activities~~ . **· Nxu' s** ~~However, there can be no assurance that we will be able to generate any significant cash from our operating activities in the future. Future financing may not be available on a timely basis, in sufficient amounts or on terms acceptable to us, if at all. Any debt financing or other financing of securities senior to the Class A common stock will likely include financial and other covenants that will restrict our flexibility. Any failure to comply with these covenants would have a material adverse effect on our~~ business , prospects, financial condition, and...... to continue into the future. There is ~~no assurance our future operations will result in a profit. If we cannot generate sufficient revenues to operate profitably or we are unable to raise enough additional funds for operations, the stockholders will experience a decrease in value, and we may have to cease operations. We are a development- stage technology company that began operating and commenced research and development activities in 2016. As a recently formed " Development Stage Company ", we are~~ subject to all of the risks and uncertainties of...... proposed operations are subject to all business risks associated with **construction** ~~new enterprises. The likelihood of our success must be considered in light of the problems~~ , **cost overruns** ~~expenses, difficulties, complications,~~ and delays ~~frequently encountered~~ **and other contingencies that may arise** in ~~connection~~ **the course of completing installations and such risks may increase in the future as Nxu expands the scope of such services** with ~~the expansion of a business, operation in a competitive industry, and the continued development of advertising, promotions and a corresponding customer base. There can be no assurances that we will operate profitably. We expect to incur operating losses in future periods due to the high cost associated with developing an electric vehicle from the ground up. We cannot be sure that we will be successful in generating revenues in the near future and in the event we are unable to generate sufficient revenues or raise additional funds we will analyze all avenues of business opportunities. Management may consider a merger, acquisition, joint venture, strategic alliance, a roll- up, or~~ other ~~business combination to increase business and potentially increase the liquidity of the Company. Such a business combination may ultimately fail, decreasing the liquidity of the Company and stockholder value or cause us to cease operations, and investors would be at risk of losing all or part of their investment in us. Risks of operations. Our future operating results may be volatile, difficult to predict and may fluctuate significantly in the future due to a variety of factors, many of which may be outside of our control. Due to the nature of our target market, we may be unable to accurately forecast our future revenues and operating results. Furthermore, our failure to generate revenues would prevent us from achieving and maintaining~~

~~profitability. There are no assurances that we can generate significant revenue or achieve profitability. We anticipate having a sizeable amount of fixed expenses, and we expect to incur losses due to the execution of our business strategy, continued development efforts and related expenses. As a result, we will need to generate significant revenues while containing costs and operating expenses if we are to achieve profitability. We cannot be certain that we will ever achieve sufficient revenue levels to achieve profitability. 10 Competition may crowd the market. We face significant barriers in the development of a competitive electric vehicle in a crowded market space. Atlis faces significant technical, resource, and financial barriers in development of a battery electric vehicle intended to compete in a crowded pickup truck space. Incumbents, also known as legacy manufacturers, have substantially deeper pockets, larger pools of resources, and more significant manufacturing experience. Atlis will need to contract with development partners who may have existing relationships with incumbent manufacturers, these relationships may pose a significant risk in our ability to successfully develop this program. The Atlis product is differentiated from all currently announced electric trucks in that it will be a full- size, heavy- duty truck with capabilities that match or exceed internal combustion trucks of the same size. However, we have a lot of work to do before we reach production. There is a chance that other competitors may release similar full- sized electric trucks before we exit the research and development phase. If several competitors release full- sized electric trucks before Atlis, it will be exceedingly difficult to penetrate the market. There are several potential competitors who are better positioned than we are to take the market at an earlier time than Atlis. We will compete with larger, established automotive manufacturers who currently have products on the market and / or various respective product development programs. They have much better financial means and marketing / sales and human resources than us. They may succeed in developing and marketing competing equivalent products earlier than us, or superior products than those developed by us. There can be no assurance that competitors will not render our technology or products obsolete or that the plug- in electric pickup truck developed by us will be preferred to any existing or newly developed technologies. It should further be assumed that that competition will intensify. Atlis' s success depends on our ability to continuously raise funding, keep costs under control, and properly execute our delivery of the AMV XT pickup truck, AMV XP truck platform, and Advanced Charging Station. In order to be competitive, we must have the ability to respond promptly and efficiently to the ever-changing marketplace. We must establish our name as a reliable and constant source for professional conversion and transmission services. Any significant increase in competitors or competitors with better, more efficient services could make it more difficult for us to gain market share or establish and generate revenues. We may not be able to compete effectively on these or other factors. We are dependent on our existing suppliers, a significant number of which are single or limited source suppliers and are also dependent on our ability to source suppliers, for our critical components, and to complete the development of our supply chain, while effectively managing the risks due to such relationships. Our success will be dependent upon our ability to enter into supplier agreements and maintain our relationships with existing suppliers who are critical and necessary to the output and production of our vehicles. The supply agreements we have, and may enter into with suppliers in the future, may have provisions where such agreements can be terminated in various circumstances, including potentially without cause. In the ordinary course of our business, we currently have, and may in the future have, legal disputes with our suppliers, including litigation to enforce such supply agreements, which would adversely affect our ability to source components from such suppliers. If our suppliers become unable or unwilling to provide, or experience delays in providing, components, or if the supply agreements we have in place are terminated, or if any such litigation to enforce our supply agreements is not resolved in our favor, it may be difficult to find replacement components. Additionally, our products contain thousands of parts~~ **parties** ~~that we purchase from hundreds of mostly single- or limited- source suppliers, for which no immediate or readily available alternative supplier exists~~. · Due to scarce natural resources or other......, operation results, and product. A significant interruption of our information technology systems or the loss of confidential or other sensitive data, including cybersecurity risks, could have a material adverse impact on our operations and financial results. · Given our reliance on information technology (...... cash flows would be materially harmed. We may have difficulty protecting our intellectual property. · ~~Our pending patents and other intellectual property could be unenforceable or ineffective once patent reviews are completed.~~ We **may face state** ~~anticipate patent review completion and patents issued in calendar years 2021, 2022, and 2023 based on the typical two- year process between filing and issuing. We have continued to file patent applications throughout 2022 and plan to continue filing new patents over time. We have filed these patents privately and the scope of what they cover remains confidential until they are issued. For any company creating brand~~ -- **and federal regulatory** ~~new products, it is imperative to protect the proprietary intellectual property to maintain a competitive advantage. There is no doubt that a significant portion of Atlis' s current value depends on the strength and imperviousness of these pending patents. We intend to continue to file additional patent applications and build our intellectual property portfolio as we discover new technologies related to the development of plug- in electric vehicles. We believe that intellectual property will be critical to our success, and that we will rely on trademark, copyright and patent law, trade secret protection and confidentiality and / or license agreements to protect our proprietary rights. If we are not successful in protecting our intellectual property, it could have a material adverse effect on our business, results of operations and financial condition. While we believe that we will be issued trademarks, patents and pending patent applications help to protect our business, there can be no assurance that our operations do not, or will not, infringe valid, enforceable third- party patents of third parties or that competitors will not devise new methods of competing with us that are not covered by our anticipated patent applications. There can also be no assurance that our patent applications will be approved, that any patents issued will adequately protect our intellectual property, or that such patents will not be challenged~~ **challenges** ~~by third parties or found to be invalid or unenforceable or that our patents will be effective in preventing third parties from utilizing a copycat business model to offer the same service in one or more categories. Moreover~~ , **including environmental** ~~it is intended that we will rely on intellectual property~~ and **safety regulations. 8 Risks Related** ~~technology developed or licensed by third parties, and we may not be able~~ to ~~obtain or continue to obtain licenses and technologies from these~~ -- **the Electric Vehicle Industry ·** ~~third parties at all or on reasonable terms. Effective trademark, service mark, copyright and trade secret protection~~

~~may not be available in every country in which our intended services will be provided.~~ The **automotive** ~~laws of certain countries do not protect proprietary rights to the same extent as the laws of the U. S. and~~ , therefore, in certain jurisdictions, we...... train and manage our employees, especially - **specifically** ~~in the areas of manufacturing and sales. If we fail to develop and maintain our people and processes as we experience our anticipated growth, demand for our products and our revenues could decrease. We may not be able to keep up with rapid technological changes. To remain competitive, we must continue to enhance our products and software. The evolving nature of~~ the electric vehicle **, market is highly competitive, and we may not be successful in competing in this** industry ~~, which~~ **. · The EV charging market** is characterized by rapid technological change, **which requires** ~~frequent new product and service introductions and~~ the **Company** ~~emergence of new industry standards and practices, could render our existing systems, software, and services obsolete. Our success will depend, in part, on our ability~~ to **continue to** ~~develop, innovate, license or acquire leading technologies useful in our business, enhance our existing solutions,~~ develop new ~~solutions~~ **products** and **product innovations. Any delays in such development could adversely affect market adoption of Nxu' s products and financial results. · We rely on complex machinery for our operations, and production involves a significant degree of risk and uncertainty in terms of operational performance, safety, security, and costs. · The electric vehicle** technology ~~that address the increasingly sophisticated and varied needs of our current and prospective customers, and respond to technological advances and emerging~~ industry **is rapidly evolving** and ~~regulatory standards~~ **may be subject to unforeseen changes which could adversely affect the demand for our chargers or other products** and ~~practices in a~~ **may increase our operating costs. · Rideshare and commercial fleets may not electrify as quickly as expected and may not rely on public fast charging or on Nxu' s network as much as expected. Future demand for or availability of battery EVs from the medium- and heavy- duty vehicle segment may not develop as anticipated or take longer to develop than expected. · The EV market currently benefits from the availability of rebates, tax credits and other financial incentives from governments, utilities and others to offset the purchase or operating** cost ~~- effective~~ **of EVs** and ~~timely manner~~ **EV charging stations** . **The reduction** ~~Future advances in technology may not be beneficial to~~ , **modification** ~~or compatible with, our~~ - **or elimination of such benefits could adversely affect Nxu' s financial results** ~~business. Furthermore, we may not successfully use new technologies effectively or adapt our proprietary technology~~ and ~~hardware to emerging industry standards on a timely basis. Our~~ ability to ~~remain technologically competitive may require substantial expenditures~~ **continue to grow. · We have minimal experience servicing** and ~~lead time~~ **repairing our charging stations** . If we **or our partners** are unable to **adequately service our** ~~adapt in a timely manner to changing~~ **charging stations** ~~market conditions or user requirements,~~ our business **, prospects** , financial condition ~~and~~ **,** results of operations **, and cash flows** could be **materially** ~~seriously harmed. If we do not successfully establish~~ and **adversely affected. · Product recall** ~~maintain our Company as a highly trusted and respected name for electric vehicles, our projected revenues would be impacted, which~~ could ~~significantly affect~~ **hinder growth and product liability** ~~our~~ - **or** ~~business, financial condition and results of operations. In order to attract and retain a client base and increase business, we must establish, maintain and strengthen our name and the~~ **other claims** ~~services we provide. In order to be successful in establishing our reputation, clients must perceive us as a trusted source for quality services. If we are unable to attract and retain clients with our current marketing plans, we may not be able to successfully establish our name and reputation, which~~ could ~~significantly affect our business, financial condition and results of operations. We are subject to risks of borrowing. We~~ have ~~incurred certain debt obligations in the ordinary course of our business. Should we obtain secure bank debt in the future, possible risks could arise. If we incur additional indebtedness, a portion of our future revenues will have to be dedicated to the payment of principal and interest on such indebtedness. Typical loan agreements also might contain restrictive covenants, which may impair our operating flexibility. Such loan agreements would also provide for default under certain circumstances, such as failure to meet certain financial covenants. A default under a loan agreement could result in the loan becoming immediately due and payable and, if unpaid, a judgment in favor of such lender which would be senior to our rights. A judgment creditor would have the right to foreclose on any of our assets resulting in~~ a material adverse effect on our business ~~, ability to generate revenue, operating results or financial condition~~ . **Risks Related to Our Management ·** We ~~may encounter unanticipated obstacles. Our business plan may change significantly. Many of our potential business endeavors are capital intensive and may be subject to statutory or regulatory requirements. Our Board of Directors believes that the chosen activities and strategies are achievable in light of current economic and legal conditions with the skills, background, and knowledge of our principals and advisors. Our Board of Directors reserve the right to make significant modifications to our stated strategies depending on future events. 16 We may be subject to unforeseen delays or failures that are caused by force majeure events beyond our control. Our business is uniquely susceptible to unforeseen delays or failures that are caused by forces of nature and related circumstances. These factors are outside and beyond our control. The delay or failure to complete the development and testing of our XP Platform or XT pickup truck and the commercial release of related services may be due to any act of God, fire, war, terrorism, flood, strike, labor dispute, disaster, transportation or laboratory difficulties or any similar or dissimilar event beyond our control. We will not be held liable to any stockholder in the event of any such failure. However, a court of competent jurisdiction may determine that we are still liable to stockholders for catastrophic failures proximately caused by forces of nature outside of our control. If such a court so decides, Atlis may have significant stockholder liability exposure. We have and may continue to be adversely impacted by macroeconomic conditions resulting from the global COVID- 19 pandemic. Our business, results of operations, and financial condition have been, and may continue to be, adversely impacted in material respects by COVID- 19 and by related government actions (including declared states of emergency and quarantine, " shelter in place " orders, or similar orders), non- governmental organization recommendations, and public perceptions, all of which have led and may continue to lead to disruption in global economic and labor markets. These effects have had a significant impact on our business, including reduced demand for our products and workforce solutions, early terminations or reductions in projects, hiring freezes, and a shift of a portion of our workforce to remote operations, all of which have contributed to a decline in revenues and other significant adverse impacts on our financial~~

~~results. Other potential impacts of COVID- 19 may include continued or expanded closures or reductions of operations with respect to our supplier partners' and customer operations or facilities, the possibility our customers will not order and will not be able to pay for our products, or that they will attempt to defer payments owed to us, either of which could materially impact our liquidity, the possibility that the uncertain nature of the pandemic may not yield the increase in certain of our workforce solutions that we have historically observed during periods of economic downturn, and the possibility that various government- sponsored programs to provide economic relief may be inadequate. Further, we may continue to experience adverse financial impacts, some of which may be material, if we cannot offset revenue declines with cost savings through expense- related initiatives, human capital management initiatives, or otherwise. Some of our suppliers and partners also experienced temporary suspensions before resuming. Reduced operations or closures at government offices, motor vehicle departments and municipal and utility company inspectors have resulted in challenges in or postponements for our vehicle manufacturing and sales. Global trade conditions and consumer trends may further adversely impact us and our industries. For example, pandemic- related issues have exacerbated port congestion and intermittent supplier shutdowns and delays, resulting in additional expenses to expedite delivery of critical parts. Sustaining our production will require the readiness and solvency of our suppliers and vendors, a stable and motivated production workforce and ongoing government cooperation. We cannot predict the duration or direction of current global trends, the sustained impact of which is largely unknown, is rapidly evolving and has varied across geographic regions. Ultimately, we continue to monitor macroeconomic conditions to remain flexible and to optimize and evolve our business as appropriate, The preparation of our financial statements requires estimates, judgments and assumptions that are inherently uncertain. Financial statements prepared in accordance with accounting principles generally accepted in the United States (" GAAP ") typically require the use of estimates, judgments and assumptions that affect the reported amounts. Often, different estimates, judgments and assumptions could reasonably be used that would have a material effect on such financial statements, and changes in these estimates, judgments and assumptions may occur from period to period over time. These estimates, judgments and assumptions are inherently uncertain and, if our estimates were to prove to be wrong, we would face the risk that charges to income or other financial statement changes or adjustments would be required. Any such charges or changes could harm our business, including our financial condition and results of operations and the price of our securities. See " Management' s Discussion and Analysis of Financial Condition and Results of Operations " for a discussion of the accounting estimates, judgments and assumptions that we believe are the most critical to an understanding of our consolidated financial statements and our business. We may be unable to meet our capital requirements. Our capital requirements depend on numerous factors, including but not limited to the rate and success of our research and development efforts, marketing efforts, market acceptance of our products, our ability to establish and maintain our agreements with suppliers, our ability to ramp up production, product demand and other factors. The capital requirements relating to development of our technology and the implementation of our business plan will be significant. We cannot accurately predict the timing and amount of such capital requirements. However, we~~ are dependent **upon** ~~on additional financing that will be required in order to develop our products and fully implement our proposed business plans. 17 However, in the event that our plans change, or~~ **our executives** ~~our assumptions change or~~ **for** ~~prove to be inaccurate, we would be required to seek additional financing sooner than currently anticipated. There can be no assurance that any such financing will be available to us on commercially reasonable terms, or at all. Furthermore, any additional equity financing may dilute the equity interests of our existing stockholders, and debt financing, if available, may involve restrictive covenants with respect to dividends, raising future capital and other -~~ **their** ~~financial~~ **services** and ~~operational matters. If we are unable to obtain additional financing as and when needed, we may be required to reduce~~ the ~~scope~~ **loss** of **personnel may** ~~our operations or our anticipated business plans, which could~~ have a material adverse effect on our business **and** ~~, future operating~~ **operations** ~~results and financial condition~~ . ~~If we pursue strategic investments, they may result in losses~~ **· Our management team does not have experience running a public company** . **·** We **are significantly influenced by** ~~may elect periodically to make strategic investments in various public and private companies with businesses or~~ **our** ~~technologies that may complement our~~ **officers and directors. · Management' s judgment, estimates and assumptions have a significant impact on** business **decisions and accounting policies** . **· Limitations of director liability and director and officer indemnification. Risks Related to Our Capital Structure and Ownership of Class A Common Stock · We cannot predict the impact our dual class structure may have on our stock price. ·** The market ~~values of these strategic investments may fluctuate due to market conditions and other conditions over which we have no control. Other- than- temporary declines in the market~~ price and valuations of the securities that we...... longer meet a requirement for continued listing of our Class A common stock ~~on~~ **has fluctuated, and may continue to fluctuate, significantly. · If the market price of our Class A common stock declines below $ 1 for more than 30 consecutive trading days, we may be deemed noncompliant with Nasdaq listing rules, which would require a cure. · If the market price of our Class A common stock declines precipitously, the only cure may be to enact a reverse split of the stock. Failure to maintain compliance with** Nasdaq' s ~~Global~~ **Continued Listing Rules could be costly and have material adverse effects. · We do not anticipate dividends to be paid on our Class A common stock and investors may lose the entire amount of their investment. · We are an emerging growth company and a smaller reporting company within the meaning of the Securities Act, and if we take advantage of certain exemptions from disclosure requirements available to emerging growth companies and smaller reporting companies, this could make our securities less attractive to investors and may make it more difficult to compare our performance with other public companies. · We will incur significant additional costs as a result of being a public company, and our management will be required to devote substantial time to compliance with our public company responsibilities and corporate governance practices. · Small public companies are inherently risky and we may be exposed to** ~~Market~~ **market** ~~tier~~ **factors beyond our control** . ~~See~~ **If such events were to occur it may impact out operating results. · Our Amended and Restated Bylaws (the** " **A & R Bylaws ") include forum selection provisions, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us. ·** Our Class A common stock may be delisted from Nasdaq if we do not maintain compliance with Nasdaq' s continued listing requirements. ~~If~~ **Delisting could affect the market price and liquidity of** our Class A common stock ~~is delisted, the market price~~ and ~~liquidity~~ **our ability to issue additional securities and raise additional capital would be adversely impacted · We may use equity incentives for employees, advisors, directors, key consultants and select affiliates. Any issuance** of **stock upon the conversion of options and /** ~~our~~ - **or incentive rights will result in the dilution of the ownership interests of our existing stockholders. · A sale, or the perception of future sales, of a substantial number of shares of** Class A common stock ~~and our ability~~ **may cause the share prices** to ~~issue additional~~ **decline. · Unfavorable** securities **industry reports** ~~and raise additional capital would~~ **could have a negative effect** ~~be adversely impacted. " We determined that the notice of non -~~ **on** ~~- compliance constituted an event~~ **our share price. · Our lack** of ~~default under~~ **business diversification could cause our stockholders to lose all** ~~our~~ - **or some** ~~outstanding convertible notes. As a result~~ of ~~the~~ **their investment if** ~~event of default, unless waived by the holders, the convertible notes began accruing default interest at a rate of 10 % per annum and~~ we are ~~obligated~~ **unable** to **generate revenues from our primary products** ~~pay to the holders approximately $ 4~~ . 9 ~~million~~ **Nxu is an early- stage company with a limited operating history that has never turned a profit and there are no assurances that the Company will ever be profitable. Nxu is a relatively new company that was incorporated on November 9** , **2016. If you are investing in the Company, it is because you think Nxu' s business model is a good idea, and Nxu will be able to successfully grow their business and become profitable. We have yet to fully develop or sell our products. We are launching our energy business and have yet to start mass manufacturing of battery cells and pack solutions. Currently, our efforts are focused on scaling our battery pilot production, on building and deploying our megawatt charging stations, primarily for testing our hardware and software, and on building and deploying our energy storage solutions. We have never turned a profit and there is no assurance that we will ever be profitable. We also have no history in the EV battery, charging, energy storage or in the automotive industry. Although Nxu has taken significant steps in developing brand awareness, Nxu is a new company and currently has no experience developing or selling battery technology. As such, it is possible that Nxu' s lack of history in the industry may impact our brand, business, financial goals, operation performance, and products. We should be considered a " Development Stage Company, " and our operations will be subject to all the risks inherent in the establishment of a new business enterprise, including, but not limited to, hurdles or barriers to the implementation of our business plans. Further, because there is no history of operations there is also no operating history from** which ~~amount represents 100 % of~~ **to evaluate our executive management' s ability to manage our business and operations and achieve our goals or** the ~~sum~~ **likely performance** of ~~(x)~~ the ~~outstanding principal of~~ **Company. Prospective investors should also consider** the **fact that our management team has** ~~notes~~ -- **not previously developed or managed similar companies. No assurances can be given that we will be able to achieve or sustain profitability. We are in the development stages of many of our products, which face technical, significant cost, and regulatory challenges we may not be able to overcome. Many of our products are in the development stages and have not yet reached commercialization status. These products may face technical, significant costs, and regulatory challenges we may be unable to overcome. Failure to meet these standards may interfere with our ability to commercialize our products and have a negative and material impact on our business, prospects, financial condition, and results of our operation. We may not achieve our projected development goals in the time frames we announce and expect due to unforeseen factors, including scarcity of natural resources, increases in costs of raw materials, disruption of supply chain or shortages of materials, rising interest rates and inflation increasing the cost to do business. Any valuation of Nxu at this stage is pure speculation. Nxu' s business success, timeline, and milestones are estimated. Nxu' s production projections, sales volume, and cost models are only estimates. Nxu produced these valuations based on existing business models of successful and unsuccessful efforts of other companies within the technology and automotive industries. All such projections and timeline estimations may change** as **Nxu continues in the development** of ~~March 13~~ **electric vehicle technology. We are currently in the development phase of our products and have only started limited manufacture and sales. Cost overruns** , ~~2023 We are currently in the development phase of our products and have not yet started manufacturing and sales.Cost overruns,~~ scheduling delays,and failure to meet product performance goals may be caused by,but not limited to,unidentified technical hurdles,delays in material shipments,and regulatory hurdles.We may experience delays in the design and manufacturing of our products.We may experience significant delays in bringing our products to market due to design considerations,technical challenges,material availability,manufacturing complications,and regulatory considerations.Such delays could materially damage our brand,business,financial goals,operation results,and product **.Our limited operating history makes it difficult for us to evaluate our future business prospects.We are a company with** ~~and~~ - **an** ~~(y) accrued~~ **extremely limited operating history** and ~~unpaid interest thereon~~ **have not generated material revenue from sales of our products and services to date. As we continue to transition from research and development activities to production and sales, it is difficult, if not impossible, to forecast our future results, and we have limited insight into trends that may emerge and affect our business** . The ~~holders~~ **estimated costs and timelines that we** have **developed to reach full scale commercial production are subject to inherent risks and uncertainties involved in the transition from a start- up company focused on research and development activities to the large- scale manufacture and sale of battery products, charging stations or energy storage solutions. There can be no assurance that our estimates related to the costs and timing necessary to complete the design and engineering of our products will prove accurate. These are complex processes that may be subject to delays, cost overruns and** ~~the~~ **other** ~~option~~ **unforeseen issues. In addition, we have engaged in limited marketing activities** to **date, so** ~~instead convert the amount due and payable under the event~~ - **even if we are able to bring our other commercial products to market, on time and on budget, there can be no assurance that customers will embrace our products in significant numbers at the prices we establish. Market and geopolitical conditions, many** of ~~default~~ **which are outside of our control and subject to change** , including ~~at~~ **general economic conditions, the availability** ~~an~~ **and** ~~alternative conversion~~ **terms of** financing, the conflict in Ukraine, Middle East, and Taiwan fuel and energy ~~price~~ prices ~~as described in~~, regulatory requirements and incentives, competition, and the ~~convertible~~ pace and extent of vehicle electrification generally, will impact demand for our products, and ultimately our success. 10 We may ~~notes~~ -- not be able to successfully manage ~~our~~ growth.We could experience growth over a short period of time,which could put a significant strain on our managerial,operational and financial resources.We must implement and constantly improve our certification processes and hire,train and manage qualified personnel to manage such growth.We have limited resources and may be unable to manage our growth.Our business strategy is based on the assumption that our customer base,geographic coverage and service offerings will increase.If this occurs , it will place a significant strain on our managerial,operational,and financial resources . If we are ~~required~~ unable to ~~pay the outstanding principal amount~~ manage our growth effectively, our business will be adversely affected. As part of this growth, we may have to implement new operational, manufacturing, and financial systems and procedures and controls to expand, train and manage our employees, especially in the ~~convertible~~ areas of manufacturing and sales. If we fail to develop and maintain our people and processes as we experience our anticipated growth, demand for our products and our revenues could decrease. Our growth rate may ~~notes~~ -- not meet our expectations. To successfully develop and ~~accrued~~ grow our business, we must develop, distribute and ~~unpaid interest thereon~~ commercialize our products, secure strategic partnerships with various businesses, and bring our products to market on schedule and in a profitable manner, as well as spend time and resources on the ~~holders~~ development of future products, services and business strategies that are complementary to our initial products and business plan. Delays or failures in the launch of our products could hurt our ability to meet our growth objectives, which may affect our financial projections and may impact our stock price. Moreover, if we are unable to continually develop and evolve our business strategy and launch additional products and services in the future, our business will be entirely dependent on the success of the technology and solutions we are developing today and this could hinder our ability to stay relevant and to pursue growth. We cannot guarantee that any of our planned products will be able to achieve our expansion goals alone. Our ability to expand successfully will depend on a number of factors, many of which are beyond our control. If we cannot continue to innovate, our projected revenue growth rate and profits may be reduced. To successfully develop and grow our business, we must develop, distribute and commercialize our products, secure strategic partnerships with various businesses, and bring our products to market on schedule and in a profitable manner, as well as spend time and resources on the development of future products, services and business strategies that are complementary to our initial electric vehicle and business plan. Delays or failures in the launch of our products could hurt our ability to meet our growth objectives, which may affect our financial projections and may impact our stock price. Moreover, if we are unable to continually develop and evolve our business strategy and launch additional products and services in the future, our business will be entirely dependent on the success of the NxuOne ™ Charging Network and related products, which could hurt our ability to meet our objectives. We cannot guarantee that the NxuOne ™ Charging Network will be able to achieve our expansion goals alone. Our ability to expand successfully will depend on a number of factors, many of which are beyond our control. Nxu' s estimates of market opportunity and forecasts of market growth may prove to be inaccurate. Estimates of future EV adoption in the U. S., the total addressable market, serviceable addressable market for Nxu' s products and services and the EV market in general are included in this Form 10- K. Market opportunity estimates and growth forecasts, whether obtained from third- party sources or developed internally, are subject to significant uncertainty and are based on assumptions and estimates that may prove to be inaccurate. Such uncertainty is enhanced by the prevailing geopolitical and macroeconomic environment. Nxu' s internal estimates relating to the size and expected growth of the target market, market demand, EV adoption across individual market verticals and use cases, capacity of automotive and battery OEMs and ability of charging infrastructure to address this demand and related pricing may also prove to be inaccurate. In particular, estimates regarding the current and projected market opportunity for public and commercial fast charging and future fast charging throughput or Nxu market share capture are difficult to predict. The estimated addressable market may not materialize in the timeframe of Nxu' s internal projections, if ever and even if the markets meet the size estimates and growth estimates presented, Nxu' s business could fail to grow at similar rates. The success of our business depends on attracting and retaining a large number of customers. If we are unable to do so , we will not be able to achieve profitability. Our success depends on attracting a large number of potential customers to purchase our vehicles and the associated services we will provide to our customers. If our customers do not perceive our vehicles ~~so using available cash on hand~~ - and services to be of sufficiently high value and quality , ~~but~~ cost competitive and appealing in aesthetics ~~our~~ - or performance, we may not be able to retain our current preorder customers or attract new customers, and our business, prospects, financial condition , results of operations, and cash flows would suffer as a result. In addition, we may incur significantly higher and more sustained advertising and promotional expenditures than we have previously incurred to attract customers. Further, our future success will ~~be adversely impacted~~ also depend in part on securing additional commercial agreements with businesses and / or fleet operators for our commercial vehicles. Many states have enacted legislation to prohibit direct- to- consumer sales, reducing the pool of prospective customers. We may not be successful in attracting and retaining a large number of consumer and commercial customers. If, for any of these reasons, we ~~may~~ are not able ~~have sufficient funds~~ to ~~operate~~ attract and maintain consumer and commercial customers, our business , prospects, financial condition, results of operations, and ~~develop our products as planned~~ cash flows would be materially harmed . ~~18 RISKS RELATED TO THE AUTOMOBILE INDUSTRY The automotive~~ 11 Nxu' s growth and success are highly correlated with and thus dependent upon the continuing rapid adoption of and demand for EVs and OEMs' ability to supply such EVs to the market . Nxu' s future growth is highly dependent upon the adoption of EVs by businesses and consumers. The market for EVs is still rapidly evolving, characterized by rapidly changing technologies, competitive ~~,~~ pricing and competitive factors, evolving

government regulation and ~~we may not be successful in competing in this~~ industry ~~. Both~~ **standards and changing consumer demands and behaviors, changing levels of concern related to environmental issues and governmental initiatives related to energy independence, climate change and** the **environment** ~~automobile industry~~ generally **. Although demand** ~~, and the electric vehicle segment in particular, are highly competitive, and we will be competing~~ for ~~sales with both electric vehicle manufacturers~~ **EVs has grown in recent years, there is no guarantee of continuing future demand. If the market for EVs develops more slowly than expected, or if demand for EVs decreases, Nxu' s business, prospects, financial condition** and ~~traditional automotive companies~~ **operating results would be harmed. The market for EVs could be affected by numerous factors, such as: · perceptions about EV features, quality, safety, performance and cost; · perceptions about the limited range over which EVs may be driven on a single battery charge; · competition** , including **from** ~~those who have announced consumer and commercial vehicles that may be directly competitive to ours. Many of our current and potential competitors may have significantly greater financial, technical, manufacturing, marketing, or~~ other **types** ~~resources than we do and may be able to devote greater resources to the design, development, manufacturing, distribution, promotion, sale, and support~~ of ~~their products than we may devote to our products. We expect competition for electric vehicles to intensify due to increased demand and a regulatory push for~~ alternative fuel vehicles, ~~continuing globalization~~ **plug- in hybrid electric vehicles and high fuel- economy internal combustion engine vehicles; · volatility in the cost of oil and gasoline** , **including as a result of trade restrictions; · concerns regarding the reliability and stability of the electrical grid; · the change in** ~~and~~ - **an** ~~consolidation in~~ **EV battery' s ability to hold a charge over time; ·** the ~~worldwide~~ **availability and reliability of a national electric vehicle charging network or infrastructure; · availability of maintenance and repair services for EVs; · consumers' perception about the convenience and cost of charging EVs; · increases in fuel efficiency of non- electric vehicles; · government regulations and economic incentives, including adverse changes in, or expiration of, favorable tax incentives related to EVs, EV charging stations or decarbonization generally; · relaxation of government mandates or quotas regarding the sale of EVs; and · concerns about the future viability of EV manufacturers. In addition, sales of vehicles in the** automotive industry **can be cyclical** , **which may affect growth in acceptance of EVs. It is uncertain how macroeconomic factors will impact demand for EVs, particularly since EVs can be more expensive than traditional gasoline- powered vehicles, when the automotive industry globally** ~~as~~ **has** ~~well as the~~ **been experiencing a** recent **decline** ~~significant increase~~ in **sales** ~~oil and gasoline prices~~ . **Furthermore** ~~In addition~~ , ~~as~~ **because** fleet operators **often make large purchases of EVs** ~~begin transitioning to electric vehicles on a mass scale~~ , ~~we expect that~~ **this cyclicality and volatility in the automotive industry may be** more **pronounced with** ~~competitors will enter the~~ commercial ~~fleet electric vehicle market~~ **purchasers, and any significant decline in demand from these customers could reduce demand for EV charging and Nxu' s products and services in particular. Demand for EVs may also be affected by factors directly impacting automobile prices or the cost of purchasing and operating automobiles, such as sales and financing incentives, prices of raw materials and parts and components, cost of fuel and governmental regulations, including tariffs, import regulation and other taxes** . Further, ~~as a result of new entrants in the commercial fleet electric vehicle market, we may experience increased competition for components and other~~ -- **the** ~~parts of our vehicles, which may~~ **automotive industry in general and EV manufacturing** have ~~limited or single~~ **experienced recent substantial supply chain interruptions due in part to COVID** - ~~source~~ **19 and a worldwide semiconductor shortage adversely impacting the automotive industry, resulting in reduced EV production schedules and sales. Volatility in demand or delays in EV production due to global** supply **chain constraints** ~~. Factors affecting competition include product performance and quality, technological innovation, customer experience, brand differentiation, product design, pricing and total cost of ownership, and manufacturing scale and efficiency. Increased competition~~ may lead to lower vehicle unit sales ~~and increased inventory~~ , which may result in ~~downward price pressure~~ **reduced demand for EV charging solutions** and **therefore** adversely affect ~~our~~ **Nxu' s** business ~~, prospects~~ , financial condition ~~,~~ **and operating** results ~~of operations, and cash flows~~ . **Our forecasting methods may not be infallible and we may encounter unanticipated obstacles. Our business plan may change significantly. Many of our potential business endeavors are capital intensive and may be subject to statutory or regulatory requirements. Our Board of Directors (** ~~Other~~ -- **the** ~~manufacturers may beat us~~ **" Board of Directors ") believes that the chosen activities and strategies are achievable in light of current economic and legal conditions with the skills, background, and knowledge of our principals and advisors. Our Board of Directors reserve the right** to ~~market~~ -- **make significant modifications to our stated strategies depending on future events. We generated revenue for the first time in 2023, but there is no assurance that we' ll be able to continue to generate revenue from the sale or deployment of the NxuOne ™ Charging Network or from the sale of other proprietary products. In 2023, we generated revenue for the first time in the Company' s history. The 2023 revenue was largely related to product deliveries from our proprietary battery cell and pack division. We have since ceased electric vehicle battery development as we focus our efforts on the NxuOne ™ Charging Network** . As **such, the bulk** of ~~February~~ **our revenue in** 2023 ~~, several competing electric pickup trucks have entered production, or~~ **was non- recurring. We expect that any source of revenue in 2024** will ~~enter production by~~ **be solely from** the ~~end~~ **deployment or sale** of ~~2024~~ **NxuOne ™ Charging Stations** . **If** ~~This includes but is not limited to the Ford F-150 Lightening, Chevrolet electric Silverado, GMC Sierra EV, Rivian R1T, Tesla Cybertruck, Hummer EV pickup, Lordstown Endurance, and Ram Revolution. Although we believe~~ we are ~~developing a superior product in terms of both design and performance~~ **unable to find customers to purchase our NxuOne ™ Charging Stations** , ~~many other auto makers~~ **we will not likely be able to meet or exceed our 2024 revenue estimates. 12 We** have **losses which we expect to continue into** ~~much more bargaining power and deeper pockets that enable them~~ - **the future** ~~to quickly create economies of scale~~ . There is **no assurance our future operations will result in** a ~~chance~~ **profit. If we cannot generate sufficient revenues to operate profitably or we are unable to raise enough additional funds for operations, the stockholders will experience a decrease in value, and we may have to cease operations. We are a development- stage technology company** that ~~consumers adopt competitor electric trucks~~ **began operating and commenced research and development activities in 2016.As a recently**

formed " Development Stage Company ",we are subject to all of the risks and uncertainties of a new business,including the risk that we may never develop,complete development or market any of our products or services and we may never generate product or services related revenues.Accordingly,we have only a limited history upon which an evaluation of our prospects and future performance can be made.We only have one product currently under development,which will require further development,significant marketing efforts and substantial investment ~~before it and any successors could provide us with any revenue.As a result,if we do not successfully develop,market and~~ before ~~Atlis can bring its~~ - **it** ~~XT pickup truck to~~ **and any successors could provide us with any revenue. As a result, if we do not successfully develop,** market ~~. While other manufactures focus~~ **and commercialize our Nxu Truck** on **the Nxu Platform** ~~mid- size and class 1 pickup trucks~~ , ~~Atlis~~ **we** will **be unable to generate any revenue** ~~focus on Class 2 and 3 markets, while offering a vehicle option~~ for ~~Class 1 customers~~ **many years, if at all** . ~~We rely on complex machinery for~~ **If we are unable to generate revenue, we will not become profitable, and we may be unable to continue** our operations ~~, and production involves a significant degree of risk and uncertainty in terms of operational performance, safety, security, and costs~~ . **Furthermore,** ~~We rely heavily on complex machinery for~~ our **proposed** operations ~~and our production involves a significant degree of uncertainty and risk in terms of operational performance, safety, security, and costs. Our manufacturing plant consists of large- scale machinery combining many components, including complex software to operate such machinery and to coordinate operating activities across the manufacturing plant. The manufacturing plant components~~ are ~~likely~~ **subject** to **all business risks** ~~suffer unexpected malfunctions from time to time, especially as we ramp up production on new products, and will depend on repairs, spare parts, and IT solutions to resume operations, which may not be available when needed. Unexpected malfunctions of the manufacturing plant components may significantly affect operational efficiency. Operational performance and costs can be difficult to predict and are often influenced by factors outside of our control, such as, but not limited to, scarcity of natural resources, environmental hazards and remediation, costs~~ associated with ~~decommissioning~~ **new enterprises. The likelihood** of ~~machines~~ **our success must be considered in light of the problems** , **expenses** ~~labor disputes and strikes~~ , ~~difficulty~~ **difficulties** ~~or~~ **, complications, and** delays **frequently encountered** in **connection with** ~~obtaining governmental permits, damages or defects in electronic systems including~~ the ~~software used to control or~~ **expansion of a business, operation in a competitive industry, and the continued development of advertising, promotions and a corresponding customer base. There can be no assurances that we will** operate **profitably. We expect to incur operating losses in future periods due to** ~~them~~ - **the high cost associated with developing** ~~, industrial accidents, pandemics, fire, seismic activity, and~~ - **an** ~~natural disasters~~ **electric vehicle from the ground up** . ~~Should~~ **We cannot be sure that we will be successful in generating revenues in the near future and in the event we are unable to generate sufficient revenues or raise additional funds we will analyze all avenues of business opportunities. Management may consider a merger, acquisition, joint venture, strategic alliance, a roll- up, or other business combination to increase business and potentially increase the liquidity of the Company. Such a business combination may ultimately fail, decreasing the liquidity of the Company and stockholder value or cause us to cease** ~~operational~~ **operations , and investors would be at** ~~risks~~ - **risk** ~~materialize, it may result in~~ **of losing all or part of** ~~the~~ **their** ~~personal injury~~ **investment in us. Our business would be adversely affected if we are not able** to **create and develop an effective direct sales force. Because a significant component of** ~~or~~ **our** ~~death of workers,~~ **growth strategy relates to increasing our revenues through sales to companies and individuals subject to** the ~~loss of production~~ **SEC disclosure and reporting** ~~equipment~~ **requirements** , ~~damage~~ **our business would be adversely affected if we were unable** to ~~manufacturing facilities,~~ **develop and maintain an effective sales force to market our** products **directly to consumers. Further complicating this matter** , ~~supplies, tools and materials, monetary losses, delays and unanticipated fluctuations in~~ **many states have prohibited direct to consumer vehicle sales. Nxu will need to be effective at converting online interest into hard sales. We currently do not employ any sales staff to sell our** ~~production~~ **products** , ~~environmental damage, administrative fines, increased insurance costs, and potential legal liabilities, all~~ which could have a material adverse effect on our business, ~~prospects,~~ **results of operations and** financial condition **. If we do not successfully establish and maintain our Company as a highly trusted and respected name for electric vehicle- related technology** , **we may not be able to attract and retain quality talent or achieve future revenue goals, which could significantly affect our business, financial condition and** results of operations ~~, and cash flows~~ . ~~Although~~ **In order to attract and retain a client base and increase business,** we ~~generally carry insurance~~ **must establish, maintain and strengthen our name and the services we provide. In order** to ~~cover such~~ **be successful in establishing our reputation, clients must perceive us as a trusted source for quality services. If we are unable to attract and retain clients with our current marketing plans, we may not be able to successfully establish our name and reputation, which could significantly affect our business, financial condition and results of** ~~operational~~ **operations** ~~risks~~ **. We employ a small team of people and each team member plays a critical role at Nxu. Any loss of talent may have a material adverse effect on our business and operations. The nature of our product development efforts requires us to hire talent to complete highly technical and specialized work. Recruiting for these specialized roles may be challenging** , **and we may be competing with top companies to attract and retain employees for these roles. If** we cannot **secure the right talent, our product development and production schedules may** be ~~certain~~ **affected. If we pursue strategic investments, they may result in losses. We may elect periodically to make strategic investments in various public and private companies with businesses or technologies** that **may complement** our ~~insurance coverage will be sufficient~~ **business. The market values of these strategic investments may fluctuate due** to **market conditions and other conditions** ~~cover~~ - **over which we have no control** ~~potential costs and liabilities arising therefrom~~ . ~~A loss~~ **Other- than- temporary declines in the market price and valuations of the securities** that **we hold in other companies would** ~~is uninsured or exceeds policy limits may~~ require us to ~~pay substantial amounts, which~~ **record losses related to our investment. This** could ~~adversely affect our business, prospects, financial condition, results~~ - **result in future** ~~of operations, and cash flows. 19 We are subject to substantial regulations and unfavorable changes~~ **charges** to ~~, or~~ **our earnings. It is uncertain whether** ~~failure by us to comply~~

~~with, these regulations could substantially harm our -~~ **or not** ~~business and operating results. Our batteries, and the sale of electric vehicles and motor vehicles in general, are subject to regulation under international, federal, state, and local laws, including export and import control laws. We expect to incur significant costs in complying with these regulations. Regulations related to the battery and electric vehicle industry are currently evolving and~~ we ~~face risks~~ **will realize any long- term benefits** associated with these ~~realize any long- term benefits associated with these~~ strategic investments.Our ability to utilize loss carry forwards may be limited.Generally,a change of more than fifty percent (50 %) in the ownership of a company' s stock,by value,over a three- year period constitutes an ownership change for U.S.federal income tax purposes.An ownership change may limit our ability to use our net operating loss carryforwards attributable to the period prior to the change.As a result,if we earn net taxable income,our ability to use our pre- change net operating loss carryforwards to offset U.S.federal taxable income may become subject to limitations. ~~An event of default has occurred under our convertible notes~~ **Our business could be adversely affected by a downturn in the economy** and **/ or manufacturing.We are dependent upon** the **continued demand for electric vehicles** ~~outstanding principal balance of the convertible notes~~ and ~~accrued~~ **electric vehicle** ~~changing~~ **charging** ~~regulations~~ **capacity, making our business susceptible to a downturn in the economy or in manufacturing** . ~~To~~ **For example, a decrease in the number of individuals investing** ~~the~~ **their** ~~extent~~ **money in the equity markets could result in a decrease in the number of companies deciding to become or remain public. This downturn could have a material adverse effect on our business, our ability to raise funds, our production, and ultimately our overall financial condition. 13 The preparation of our financial statements requires estimates, judgments and assumptions** that **are inherently uncertain. Financial statements prepared in accordance with accounting principles generally accepted in the United States (" GAAP ") typically require the use of estimates, judgments and assumptions that affect the reported amounts. Often, different estimates, judgments and assumptions could reasonably be used that would have** a ~~law~~ **material effect on such financial statements, and** changes **in these estimates** , **judgments and assumptions may occur from period to period over time. These estimates, judgments and assumptions are inherently uncertain and, if our estimates were to prove to be wrong, we would face the risk that charges to income** ~~our -~~ **or other financial statement changes or adjustments would be required.Any such charges or changes could harm our business,including our financial condition and results of operations and the price of our securities.See " Management' s Discussion and Analysis of Financial Condition and Results of Operations " for a discussion of the accounting estimates,judgments and assumptions that we believe are the most critical to an understanding of our consolidated financial statements and our business.** Failure to maintain internal controls over financial reporting would have an adverse impact on us.We are required to establish and maintain appropriate internal controls over financial reporting.The standards required for a public company under Section 404 (a) of the Sarbanes- Oxley Act are significantly more stringent than those required by **Nxu** ~~Atlis Motor Vehicles~~ as a privately held company.Management may not be able to effectively **maintain** ~~and timely implement controls and procedures that adequately respond to the increased regulatory compliance and reporting requirements.If we are not able to implement the additional requirements of Section 404 (a) in a timely manner or with~~ adequate compliance, **and** our internal controls over financial reporting may not be effective,which may subject us to adverse regulatory consequences and could harm investor confidence.Failure to **maintain** ~~establish those~~ controls ~~,or any failure of those controls once established,~~ could also adversely impact our public disclosures regarding our business,financial condition or results of operations.In addition,management' s assessment of internal controls over financial reporting may identify ~~weaknesses~~ **deficiencies** and conditions that need to be addressed in our internal controls over financial reporting or other matters that may raise concerns for investors.Any actual or perceived ~~weaknesses~~ **deficiencies** and conditions that need to be addressed in our internal control over financial reporting,or disclosure of management' s assessment of our internal controls over financial reporting may have an adverse impact on the price of our Class A common stock. ~~27~~ **Uncertainty exists as to whether our business will have sufficient funds over the next 12 months,thereby making an investment in Nxu speculative.** We **require additional financing to complete development** ~~may use equity incentives for employees,advisors,directors,key consultants~~ and **marketing** ~~select affiliates.Any issuance~~ of ~~stock upon the conversion of options and / or~~ **our NxuOne ™ Charging Network** ~~incentive rights will result in the dilution of the ownership interests of our existing stockholders.We may use equity incentives for employees~~ , ~~advisors~~ **Nxu battery technology** , ~~directors~~ **Nxu Platform** , ~~key consultants~~ and **Nxu Truck until** ~~select affiliates.Any issuance of stock upon~~ the ~~conversion of options and / or incentive rights will result in the dilution~~ products **are in production and sufficient revenue can be generated for us to be self- sustaining. Our management projects that in order to effectively bring the non- charging network products to market, that it will require significant funding over the next 12 months to cover costs involved in completing the prototype, getting the battery assembly line up and running, and beginning to develop a supply chain. In the event that we are unable to generate sufficient revenues, and before all of the funds now held by us are expended, an investment made in Nxu** may **We** require ~~immediate~~ additional financing to ~~sustain current~~ **complete development** and ~~fund future operations.There~~ **marketing of our AMV battery technology,XP Platform,and XT pickup truck until the products are in production and sufficient revenue** can be ~~no assurance~~ **generated for us to be self- sustaining.Our management projects** that ~~we~~ **in order to effectively bring the products to market,that it** will ~~be~~ **require significant funding over the next 12 months to cover costs involved in completing the prototype,getting the battery assembly line up and running,and beginning to develop a supply chain.In the event that we are** ~~able~~ **unable** to ~~obtain~~ **generate sufficient revenues,and before all of the** funds ~~on acceptable terms~~ **now held by us are expended** , ~~if at all~~ **an investment made in Atlis may become worthless** .If we cannot continue to raise further rounds of funding,we cannot succeed. ~~Nxu~~ **Atlis** will require additional rounds of funding to complete development and begin shipments of the ~~Nxu~~ **AMV XT pickup** ~~Truck~~ **truck** .If ~~Nxu~~ **Atlis** is unable to secure funding,we will be unable to succeed in our goal of developing the world' s best electric pickup truck.If we are unable to raise adequate financing,we will be unable to sustain operations for a prolonged period of time.We expect to significantly increase our spending to advance the development of our products and services and launch and commercialize the products for commercial sale.We will require additional capital for the further development and commercialization of our products,as well as to fund our other operating expenses and capital expenditures.We cannot be certain that additional funding will be available on acceptable terms,or at all.If we are unable to raise additional capital in sufficient amounts or on terms acceptable to us,we may have to significantly delay,scale back or discontinue the development or commercialization of one or more of our products and services.We may also seek collaborators for the products at an earlier stage than otherwise would be desirable or on terms that are less favorable than might otherwise be available.Any of these events could significantly harm our business,financial condition,and prospects. **We rely on proprietary technology currently** ~~Continuing or worsening inflationary issues and associated changes~~ in ~~monetary policy~~ **development by Atlis to meet product performance requirements.Atlis is developing proprietary technologies which are needed to meet targeted product performance requirements.The development of this technology** may **be impacted by unforeseen supplier** ~~result in increases to the cost of charging equipment~~ , **material** ~~other goods~~ , ~~services~~ and ~~personnel,~~ **technical risks** which ~~in turn could cause capital expenditures and operating costs to rise.The U.S.inflation rate increased during 2021,2022,and 2023 and has remained elevated in 2024.These inflationary pressures have resulted in and~~ may **delay product launches** ~~continue to result in,increases to the costs of charging equipment and personnel,which could in turn cause capital expenditures and operating costs to rise.Sustained levels of high inflation have likewise caused the U.S.Federal Reserve and other central banks to increase interest rates,which could have the effects of raising the cost of capital and depressing economic growth,either of which —~~ or **change product performance expectations.9** ~~the combination thereof — could hurt the financial and operating results~~ not **limited to the rate and success of our research and development efforts, marketing efforts, market acceptance of our products, our ability to establish and maintain our agreements with suppliers, our ability to ramp up production, product demand and other factors. The capital requirements relating to development of our technology and the implementation of our business plan will be significant. We cannot accurately predict the timing and amount of such capital requirements. However, we are dependent on additional financing that will be required in order to develop our products and fully implement our proposed business plans. We need to raise additional capital to meet our future business requirements and such capital raising may be costly or difficult to obtain and could dilute current stockholders' ownership interest. We have relied upon cash from financing activities and in the future, we expect to rely on the proceeds from future debt and / or equity financings, and we hope to rely on revenues generated from operations to fund all of the cash requirements of our activities. However, there can be no assurance that we will be able to generate any significant cash from our operating activities in the future. Future financing may not be available on a timely basis, in sufficient amounts or on terms acceptable to us, if at all. Any debt financing or other financing of securities senior to the Class A common stock will likely include financial and other covenants that will restrict our flexibility. Any failure to** comply with ~~applicable international~~ **these covenants would have a material adverse effect on our business** , ~~federal~~ **prospects** , ~~state~~ **financial condition** , and ~~local laws~~ **results of operations because we could lose our existing sources of funding and impair our ability to secure new sources of funding. However** , **there can be no assurance that the Company will be able to generate any investor interest in its securities. If we do not obtain additional financing, our prototype will never be completed, in** which **case you** would **,prospects,financial condition,and results of operations because we could lose our existing sources of funding and impair our ability to secure new sources of funding.However,there can be no assurance that the Company will be able to generate any investor interest in its securities.If we do not obtain additional financing,our prototype will never be completed,in which case you would** likely lose the entirety of your investment in us.At this time,we have not secured or identified any additional financing.We do not have any firm commitments or other identified sources of additional capital from third parties or from our officer and director or from other stockholders.There can be no assurance that additional capital will be available to us,or that,if available,it will be on terms satisfactory to us.Any additional financing will involve dilution to our existing stockholders.If we do not obtain additional capital on terms satisfactory to us,or at all,it may cause us to delay,curtail,scale back or forgo some or all of our product development and / or business operations,which could have a material adverse effect on our business and financial results.In such a scenario,investors would be at risk of losing all or a part of any investment in our Company. **We have** ~~Nxu relies on a limited number of suppliers and manufacturers for its charging stations.A loss~~ **losses** ~~of any of~~ **which we expect to continue into** ~~these~~ -- **the future** ~~partners could negatively affect its business or ability to manufacture and deliver NxuOne ™ Charging Stations~~ . **There** ~~Nxu relies on a limited number of suppliers to manufacture its charging stations,including in some cases only a single supplier for some products and components.This reliance on a limited number of manufacturers increases Nxu' s risks,since it does not currently~~ have an adverse effect on ~~our~~ **Nxu' s** business ~~. Compliance with changing regulations could be time consuming, burdensome, and expensive. To the extent compliance with new and existing regulations is cost prohibitive, our business prospects~~ , financial condition ~~,~~ and operating results **. In addition, Nxu' s suppliers may face supply chain risks and constraints of their own, which may impact the availability and pricing of its products. For example, supply chain challenges related to global chip shortages have impacted companies worldwide both within and outside of Nxu' s industry and may continue to have adverse effects on Nxu' s suppliers and, as a result, Nxu. 15 In addition, in fiscal year 2023, Nxu became subject to requirements under the Dodd- Frank Wall Street Reform and Consumer Protection Act of 2010 (the " Dodd- Frank Act ") to diligence, disclose and report whether or not its products contain minerals originating from the Democratic Republic of the Congo and adjoining countries, or conflict minerals. Nxu may incur additional costs to comply with these disclosure requirements, including costs related to determining the source of any of the relevant minerals and metals used in Nxu' s products. These requirements** ~~would~~ **could adversely affect the sourcing, availability and pricing of minerals used in the components used in Nxu' s products. It is also possible that Nxu' s reputation may** be adversely affected ~~. Internationally~~ **if it determines that certain of its products contain minerals not determined to be conflict- free or if it is unable to alter its products** , **processes or sources of supply to avoid use of such materials. Nxu may also encounter end- customers who require that all of the components of the products be certified as conflict free. If**

Nxu is not able to meet this requirement, such end- customers may choose to purchase products from a different company. Unknown costs and risks may exist with the prolonged use of NxuOne ™ Charging Network equipment and related systems, as the technology is recently developed and has not been widely deployed. As the NxuOne ™ Charging Station field trials just commenced in the third quarter of 2023, we do not know how our products will hold up over prolonged use. We estimate that our utilization rate will continue to increase as the NxuOne ™ Charging Network proliferates and we continue to sign up new users. Since our products have only been in use for a few months, we do not have any way to predict whether our charging stations will remain functional under heavy, persistent use. If the NxuOne ™ Charging stations malfunction under heavy use, we will be forced to bear the costs of repairing or replacing the equipment. Given our projected development timeline, such costs could be substantial. Nxu is dependent upon the availability of electricity at Nxu' s current and future charging stations. Cost increases, delays and / or other restrictions on the availability of electricity would adversely affect Nxu' s business and results of Nxu' s operations. The operation and development of Nxu' s charging stations is dependent upon the availability of electricity, which is beyond Nxu' s control. Nxu' s charging stations are affected by problems accessing electricity sources, such as planned or unplanned power outages. In recent years, shortages of electricity have resulted in increased costs to users and interruptions in service. In particular, California has experienced rolling blackouts due to excessive demands on the electrical grid or as precautionary measures against the risk of wildfire. In the event of a power outage, Nxu will be dependent on the utility company to restore power. Any prolonged power outage could adversely affect customer experience and Nxu' s business and results of operations. Changes in utility electricity pricing or new and restrictive constructs from regulations applicable to pricing may adversely impact future operating results. For example, some jurisdictions have required the Company to switch from pricing on a per- minute basis to a per- kWh basis and other jurisdictions may follow suit. Utility rates may change in a way that adversely affects fast charging or in a way that may limit Nxu' s ability to access certain beneficial rate schedules. In addition, utilities or other regulated entities with monopoly power may receive authority to provide charging services that result in an anti- competitive advantage relative to the Company and other private sector operators. Nxu' s business is subject to risks associated with construction, cost overruns and delays and other contingencies that may arise in the course of completing installations and such risks may increase in the future as Nxu expands the scope of such services with other parties. Charger installation and construction is typically performed by third- party contractors managed by the Company. The installation and construction of charging stations at a particular site is generally subject to oversight and regulation in accordance with state and local laws and ordinances relating to building codes, safety, environmental protection and related matters and typically requires local utility cooperation in design and interconnection request approval and commissioning, as well as various local and other governmental approvals and permits that vary by jurisdiction. In addition, building codes, accessibility requirements, utility interconnect specifications, review, approval or study lead time or regulations may hinder EV charger installation and construction because they end up costing the developer or installer more in order to meet the code requirements. In addition, increased demand for the components necessary to install and construct charging stations could lead to higher installed costs. Meaningful delays or cost overruns caused by Nxu' s vendor supply chains, contractors, utility upgrades scope and delays, or inability of local utilities and approving agencies to cope with heightened levels of activity, may impact Nxu' s ability to satisfy the requirements under the build schedule and Nxu' s other contractual commitments, and may impact revenue recognition in certain cases and / or impact Nxu' s relationships, any of which could impact Nxu' s business and profitability, pace of growth and prospects. Working with contractors may require the Company to obtain licenses or require Nxu or Nxu' s customers to comply with additional rules, working conditions and other union requirements, which can add costs and complexity to an installation and construction project. If these contractors are unable to provide timely, thorough and quality installation- related services, Nxu could fall behind Nxu' s construction schedules or cause customers to become dissatisfied with the solutions Nxu offers. As the demand for public fast charging increases and qualification requirements for contractors become more stringent, Nxu may encounter shortages in the number of qualified contractors available to complete all of Nxu' s desired installations. If Nxu fails to timely pay Nxu' s contractors, they may file liens against Nxu' s owned or leased properties, putting Nxu' s occupancy or operations at risk. Nxu' s business model is predicated on the presence of qualified and capable electrical and civil contractors and subcontractors in the new markets Nxu intends to enter. There is no guarantee that there ~~may~~ will be ~~laws~~ an adequate supply of such partners. A shortage in the number of qualified contractors may impact the viability of the business plan, increase risks related to the quality of work performed and increase costs if outside contractors are brought into a new market. 16 In addition, Nxu' s network expansion plan relies on Nxu' s site development efforts and Nxu' s business is exposed to risks associated with receiving site control and access necessary for the construction of the charging station and operation of the charging equipment, electrical interconnection and power supply at identified locations sufficient to host chargers on a timely basis. Nxu generally does not own the ~~and~~ land ~~jurisdictions~~ at the charging sites and relies on site licenses with Site Hosts that convey the right to build, own and operate the charging equipment on the site. Nxu may not be able to renew the site licenses or retain site control. The process of establishing or extending site control and access could take longer or become more competitive. As the EV market grows, competition for premium sites may intensify, the power distribution grid mayrequire upgrading, and electrical interconnection with local utilities may become more competitive, all of which may lead to delays in construction and / or commissioning. As a result, Nxu may be exposed to increased interconnection costs and utility fees, as well as delays, which may slow the pace of Nxu' s network expansion. Nxu' s charging stations may be located in areas that are publicly accessible and may be exposed to vandalism or misuse by customers or other individuals, which would increase Nxu' s replacement and maintenance costs. Nxu' s public chargers may be exposed to vandalism or misuse by customers and other individuals, increasing

wear and tear of the charging equipment. Such damage could shorten the usable lifespan of the chargers and require the Company to increase its spending on replacement, maintenance and insurance costs and could result in site hosts reconsidering the value of hosting Nxu' s charging stations at their sites. In addition, the cost of any such damage may not be covered by Nxu' s insurance in full or at all and, in the event of repeated damage to Nxu' s charging equipment, Nxu' s insurance premiums could increase and it could be subject to additional insurance costs or may not be able to obtain insurance at all, any of which could have an adverse effect on its business. We do not own a transportation fleet, nor any fleet vehicles, and so may not be able to transport NxuOne ™ Charging Stations once produced. Cost of third-party transport may be high and the risk of loss surrounding transport may be high or hard to predict. Our charging stations weigh several thousand pounds. There are inherent transportation risks associated with deployment of our charging network. We do not own a transportation fleet, so we will have to hire a transportation company to transport the NxuOne ™ Charging stations to deployment sites. Such transport may be incredibly costly, and we have not ~~yet entered~~ **been able to accurately predict** or ~~laws~~ **project transportation costs. In addition to the risk of losing control of the method of transportation, we may not be able to adequately insure against loss during transport. There is a chance the NxuOne ™ charging stations are irrevocably damaged in transit. If** we are ~~unaware~~ **unable to insure the NxuOne ™ Charging Stations for transit, we may be forced to bear the full risk** of **loss. A significant interruption of our information technology systems or the loss of confidential or other sensitive data, including cybersecurity risks, could have a material adverse impact on our operations and financial results. Given our reliance on information technology (our own and our third- party providers'), a significant interruption** in ~~jurisdictions~~ **the availability of information technology, regardless of the cause, or the loss of confidential, personal, or proprietary information (whether our own, our employees', our suppliers', or our customers'), regardless of the cause, could negatively impact our operations. While** we have ~~entered~~ **invested in the protection of our data and information technology to reduce these risks and routinely test the security of our information systems network, we cannot be assured** that ~~may restrict~~ **our efforts will prevent breakdowns** ~~our~~ - ~~'),a significant interruption in the availability of information technology,regardless of the cause,or the loss of confidential,personal,or proprietary information (whether our own,our employees',our suppliers',or our customers'),regardless of the cause,could negatively impact our operations.While we have invested in the protection of our data and information technology to reduce these risks and routinely test the security of our information systems network,we cannot be assured that our efforts will prevent breakdowns~~ or breaches in our systems that could adversely affect our business.Management is not aware of a cybersecurity incident that has had a material adverse impact on our financial condition or results of operations;however,we could suffer material financial or other losses in the future and we are not able to predict the severity of these attacks.The occurrence of a cyber- attack,breach,unauthorized access,misuse,computer virus or other malicious code or other cybersecurity event could jeopardize or result in the unauthorized disclosure,gathering,monitoring,misuse,corruption,loss or destruction of confidential and other information that belongs to us,our customers,our counterparties,or third- party suppliers and providers that is processed and stored in,and transmitted through,our computer systems and networks.The occurrence of such an event could also result in damage to our software,computers or systems,or otherwise cause interruptions or malfunctions in our,our customers',our counterparties' or third parties' operations.This could result in loss of customers and business opportunities,reputational damage,litigation,regulatory fines,penalties or intervention,reimbursement or other compensatory costs,or otherwise adversely affect our business,financial condition or results of operations.As part of our regular review of potential risks,we analyze emerging cybersecurity threats to us and our third- party suppliers and providers as well as our plans and strategies to address them. ~~The~~ **Our** Board of Directors ~~of the Company (the " Board of Directors ")~~ ,which has oversight responsibility for cybersecurity risks,is regularly briefed by management on such analyses. ~~Rising interest rates~~ **Nxu is highly reliant on its networked charging solution and information technology systems and data,and those of its service providers and component suppliers,any of which systems and data** may **be subject to cyber- attacks,service disruptions or other security incidents,which could result in data breaches,loss or interruption of services,intellectual property theft,claims,litigation,regulatory investigations,significant liability,reputational damage and other** ~~adversely~~ -- **adverse consequences** ~~impact our business~~ . ~~Due~~ **Nxu continues** to **expand its** ~~recent increases in inflation~~ **information** ~~,~~ **technology systems in** the ~~U~~ **form of its networked charging solution,and as its operations grow,its internal information technology systems,such as product data management,procurement,inventory management,production planning and execution,** sales **, service and logistics, financial, tax and regulatory compliance systems. This includes the implementation of new internally developed systems and the deployment of such systems in the United States and abroad. The implementation, maintenance, segregation and improvement of these systems require significant management time, support and cost, and there are inherent risks associated with developing, improving and expanding Nxu' s core systems as well as implementing new systems and updating current systems, including disruptions to the related areas of business operations. These risks may affect Nxu' s ability to manage its data and inventory, procure parts** or **supplies or manufacture, sell, deliver and service products, adequately protect its intellectual property or achieve and maintain compliance with, or realize available benefits under, tax laws and** other **applicable regulations. 17 While Nxu maintains information technology measures designed to protect it against intellectual property theft, data breaches, sabotage and other external or internal cyber- attacks or misappropriation, its systems and those of its service providers are potentially vulnerable to malware, ransomware, viruses, denial- of- service attacks, phishing attacks, social engineering, computer hacking, unauthorized access, exploitation of bugs, defects and vulnerabilities, breakdowns, damage, interruptions, system malfunctions, power outages, terrorism, acts of vandalism, security breaches, security incidents, inadvertent or intentional actions by employees or other third parties, and other cyber- attacks. To the extent any security incident results in unauthorized access or damage to or acquisition, use, corruption, loss, destruction, alteration or dissemination of Nxu data, including intellectual property and personal information, or Nxu products, or for it to be**

believed or reported that any of these occurred, it could disrupt Nxu' s business ~~practices. These~~ , harm its reputation, compel it to comply with applicable data breach notification laws ~~may be complex~~ , subject it to time consuming, distracting and expensive litigation, regulatory investigation and oversight, mandatory corrective action, require it to verify the correctness of database contents, or otherwise subject it to liability under laws, regulations and contractual obligations, including those that protect the privacy and security of personal information. This could result in increased costs to Nxu and result in significant legal and financial exposure and / or reputational harm. Because Nxu also relies on third- party service providers, it cannot guarantee that its service providers' and component suppliers' systems have not been breached or that they do not contain exploitable defects, bugs, or vulnerabilities that could result in a security incident, or other disruption to, Nxu' s or Nxu' s service providers' or component suppliers' systems. Nxu' s ability to monitor its service providers' and component suppliers' security measures is limited, and, in any event, malicious third parties may be able to circumvent those security measures. If Nxu does not successfully implement, maintain or expand its information technology systems as planned, its operations may be disrupted, its ability to accurately and / or timely report its financial results could be impaired and deficiencies may arise in its internal control over financial reporting, which may impact its ability to certify its financial results. If Nxu identifies material weaknesses in the future or otherwise fails to maintain an effective system of internal control over financial reporting, this may result in material misstatements contained within Nxu' s consolidated financial statements or cause Nxu to fail to meet its periodic reporting obligations, " for more detail). Moreover, Nxu' s proprietary information, including intellectual property and personal information, could be compromised or misappropriated, its reputation may be adversely affected if these systems or their functionality do not operate as expected and Nxu may be required to expend significant resources to make corrections or find alternative sources for performing these functions. We may have ~~difficult~~ difficulty protecting our intellectual property. Our pending patents and other intellectual property could be unenforceable or ineffective once patent reviews are completed. We anticipate patent review completion and patents issued in calendar years 2021, 2022, 2023, and 2024 based on the typical ~~to~~ two ~~interpret~~ - year process between filing and ~~may change~~ issuing. We have continued to file patent applications throughout 2023 and plan to continue filing new patents over time. ~~Continued regulatory limitations~~ We have filed these patents privately and the scope of what they cover remains confidential until they are issued. For any company creating ~~and~~ brand ~~obstacles~~ new products, it is imperative to protect the proprietary intellectual property to maintain a competitive advantage. There is no doubt that ~~may interfere with~~ a significant portion of Nxu' s current value depends on the strength and imperviousness of these pending patents. We intend to continue to file additional patent applications and build our intellectual property portfolio as we discover new technologies related to the development of plug- in electric vehicles. We believe that intellectual property will be critical to our success, and that we will rely on trademark, copyright and patent law, trade secret protection and confidentiality and / ~~our~~ - or ~~ability~~ license agreements to ~~commercialize~~ protect our ~~products~~ proprietary rights. If we are not successful in protecting our intellectual property, it could have a ~~negative and~~ material ~~impact~~ adverse effect on our business, ~~prospects,~~ results of operations and financial condition . While we believe that we will be issued trademarks , patents and ~~results of~~ pending patent applications help to protect our business, there can be no assurance that our ~~operation~~ operations ~~. We~~ do not, or will not, infringe valid, enforceable third- party patents of third parties or that competitors will not devise new methods of competing with us that are ~~subject~~ not covered by our anticipated patent applications. There can also be no assurance that our patent applications will be approved, that any patents issued will adequately protect our intellectual property, or that such patents will not be challenged by third parties or found to ~~requirements relating~~ be invalid or unenforceable or that our patents will be effective in preventing third parties from utilizing a copycat business model to ~~environmental~~ offer the same service in one or more categories. Moreover, it is intended that we will rely on intellectual property and ~~safety regulations~~ technology developed or licensed by third parties, and ~~environmental remediation matters~~ we may not be able to obtain or continue to obtain licenses and technologies from these third parties at all or on reasonable terms. Effective trademark, service mark, copyright and trade secret protection may not be available in every country in which our intended services will be provided. The laws of certain countries do not protect proprietary rights to the same extent as the laws of the U. S. and, therefore, in certain jurisdictions, we may be unable to protect our proprietary technology adequately against unauthorized third party copying or use, which could adversely affect our competitive position. We expect to license in the future, certain proprietary rights, such as trademarks or copyrighted material, to third parties. These licensees may take actions that might diminish the value of our proprietary rights or harm our reputation, even if we have agreements prohibiting such activity. Also, to the extent third parties are obligated to indemnify us for breaches of our intellectual property rights, these third parties may be unable to meet these obligations. Any of these events could have a material adverse effect on our business, results of ~~operation~~ operations or financial condition. 18 The U. S. Patent and Trademark Office and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other provisions during the patent process. There are situations in which noncompliance can result in abandonment or lapse of a patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such ~~and~~ - ~~of patent rights in the relevant jurisdiction.In such~~ an event,competitors might be able to enter the market earlier than would otherwise have been the case,which could have a material adverse effect on our business,results of operations and financial condition.Intellectual property protection is costly.Filing,prosecuting and defending patents related to our products and software throughout the world is prohibitively expensive.Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and,further,may export otherwise infringing products to territories where we have patent protection,but where enforcement is not as strong as that in the U.S.These products may compete with our products in jurisdictions where we do not have any issued or licensed patents and our patent claims or other intellectual property rights may not be effective or sufficient to prevent them from so competing.Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions.The legal systems of certain countries,particularly certain developing countries,do not favor the enforcement of patents and other intellectual property protection,particularly those relating to technology,which could make it difficult for us to stop the infringement of our patents or marketing of competing products in violation of our proprietary rights generally.Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial cost and divert our efforts and attention from other aspects of our business. **We** ~~Confidentiality agreements~~ may **face state and federal regulatory challenges,including environmental and safety** ~~reputation~~ **regulations** . We are subject to numerous federal, state and local environmental laws and regulations governing, among other things, solid and hazardous waste storage, treatment and disposal, and remediation of releases of hazardous materials. There are significant capital, operating and other costs associated with compliance with these environmental laws and regulations. Environmental laws and regulations may become more stringent in the future, which could increase costs of compliance or require us to manufacture with alternative technologies and materials. Federal, state and local authorities also regulate a variety of matters, including, but not limited to, health, safety and permitting in addition to the environmental matters discussed above. New legislation and regulations may require us to make material changes to our operations, resulting in significant increases in the cost of production. Our manufacturing process will have hazards such as but not limited to hazardous materials, machines with moving parts, and high voltage and / or high current electrical systems typical of large manufacturing equipment and related safety incidents. There may be safety incidents that damage machinery or products, slow or stop production, or harm employees. Consequences may include litigation, regulation, fines, increased insurance premiums, mandates to temporarily halt production, workers' compensation claims, or other actions that impact our company brand, finances, or ability to operate. ~~Our~~ **Nxu is susceptible to risks associated with an increased focus by stakeholders and regulators on climate change, which may adversely affect its business and results of operations. Climate- related events, including the increasing frequency of extreme weather events and their impact on critical infrastructure in the United States and elsewhere, have the potential to disrupt our business and those of its third- party suppliers, and customers, and may cause Nxu to experience higher attrition, losses and additional costs to maintain or resume operations. In addition, Nxu' s customers may begin to establish sourcing requirements related to sustainability. As a result, Nxu may receive requests for sustainability related information about its products, business operations, use of sustainable materials and packaging. Nxu' s inability to comply with these and other sustainability requirements in the future could adversely affect sales of and demand for its products. Further, there is an increased focus, including by governmental and nongovernmental organizations, investors, customers, and other stakeholders, on climate change matters, including increased pressure to expand disclosures related to material physical and transition risks related to climate change or to establish sustainability goals, such as the reduction of greenhouse gas emissions, which could expose Nxu to market, operational and execution costs or risks. Nxu' s failure to establish such sustainability targets or targets that are perceived to be appropriate, as well as to achieve progress on those targets on a timely basis, or at all, could adversely affect the reputation of its brand and sales of and demand for its products. To the extent legislation is passed, such as the final rules recently adopted by the SEC with respect to enhanced and standardized climate- related disclosures, Nxu would incur significant additional costs of compliance due to the need for expanded data collection, analysis, and certification with respect to greenhouse gas emissions and other climate change related risks. Nxu may also incur additional costs or require additional resources to monitor, report and comply with such stakeholder expectations and standards and legislation, and to meet climate change targets and commitments if established. 19 The automotive market, specifically with respect to electric** vehicles **, is highly competitive, and we may not be successful in competing in this industry. Both the automobile industry generally, and the electric vehicle segment in particular, are highly competitive, and we will be competing for sales with both electric vehicle manufacturers and traditional automotive companies, including those who have announced consumer and commercial vehicles that may be directly competitive to ours. Many of our current and potential competitors may have significantly greater financial, technical, manufacturing, marketing, or other resources than we do and may be able to devote greater resources to the design, development, manufacturing, distribution, promotion, sale, and support of their products than we may devote to our products. We expect competition for electric vehicles to intensify due to increased demand and a regulatory push for alternative fuel vehicles, continuing globalization, and consolidation in the worldwide automotive industry, as well as the recent significant increase in oil and gasoline prices. In addition, as fleet operators begin transitioning to electric vehicles on a mass scale, we expect that more competitors will enter the commercial fleet electric vehicle market. Further, as a result of new entrants in the commercial fleet electric vehicle market, we may experience increased competition for components and other parts of our vehicles, which may have limited or single- source supply. Factors affecting competition include product performance and quality, technological innovation, customer experience, brand differentiation, product design, pricing and total cost of ownership, and manufacturing scale and efficiency. Increased competition may lead to lower vehicle unit sales and increased inventory, which may result in downward price pressure and adversely affect our business, prospects, financial condition, results of operations, and cash flows. Other manufacturers may beat us to market. As of March 2024, several competing electric pickup trucks have entered production, or will enter production by the end of 2024. This includes but is not limited to the Ford F- 150 Lightning, Chevrolet Silverado EV, GMC Sierra EV, Rivian R1T, Tesla Cybertruck, Hummer EV pickup, Lordstown Endurance, and Ram Revolution. Although we believe we are developing a superior product in terms of both design and performance, many other auto makers have much more bargaining power and deeper pockets that enable them to quickly create economies of scale. Development of our concept electric vehicles has taken a back seat to the development of the NxuOne ™ Charging Network. We will not likely bring our vehicles to market in the next two years. There is a chance that many consumers adopt competitor electric trucks before Nxu can bring its Nxu Truck to market. While**

other manufactures focus on mid- size and class 1 pickup trucks, Nxu will focus on Class 2 and 3 markets, while offering a vehicle option for Class 1 customers. The EV charging market is characterized by rapid technological change, which requires the Company to continue to develop new products and product innovations. Any delays in such development could adversely affect market adoption of Nxu' s products and financial results. Continuing technological changes in battery and other EV technologies could adversely affect adoption of current EV charging technology, continuing and increasing reliance on EV charging infrastructure and / or the use of Nxu' s products and services. Nxu' s future success will depend in part upon Nxu' s ability to develop and introduce a variety of new capabilities and innovations to Nxu' s existing product offerings, as well as introduce a variety of new product offerings to address the changing needs of the EV charging market. As EV technologies change, Nxu may need to upgrade or adapt Nxu' s charging station technology and introduce new products and services in order to serve vehicles that have the latest technology, in particular major improvements in battery technology leading to significant increases in charging rates, which could involve substantial costs. Even if Nxu is able to keep pace with changes in technology and develop new products and services, Nxu' s research and development expenses could increase, Nxu' s gross margins could be adversely affected in some periods and Nxu' s prior products could become obsolete more quickly than expected. Nxu cannot guarantee that any new products will be released in a timely manner, or at all, or achieve market acceptance. Delays in delivering new products that meet customer requirements could damage Nxu' s relationships with customers and lead them to seek alternative products or services. Delays in introducing products and innovations or the failure to offer innovative products or services at competitive prices may cause existing and potential customers to use Nxu' s competitors' products or services. If Nxu is unable to devote adequate resources to develop products or cannot otherwise successfully develop products or services that meet customer requirements on a timely basis or that remain competitive with technological alternatives, Nxu' s products and services could lose market share, Nxu' s revenue will decline, Nxu may experience higher operating losses and Nxu' s business and prospects will be adversely affected. Changes to fuel economy standards or the success of alternative fuels may negatively impact the EV market and thus the demand for Nxu' s products and services. Regulatory initiatives that required an increase in the mileage capabilities of cars and consumption of renewable transportation fuels, such as ethanol and biodiesel, have helped increase consumer acceptance of EVs and other alternative vehicles. However, the EV fueling model is different from gasoline and other fuel models, requiring behavior changes and education of businesses, consumers, regulatory bodies, local utilities and other stakeholders. Further developments in and improvements in the affordability of, alternative technologies, such as renewable diesel, biodiesel, ethanol, hydrogen fuel cells or compressed natural gas, proliferation of hybrid powertrains involving such alternative fuels, or improvements in the fuel economy of internal combustion engine (" ICE ") vehicles, whether as the result of regulation or otherwise, may materially and adversely affect demand for EVs and EV charging stations in some market verticals. Regulatory bodies may also adopt rules that substantially favor certain alternatives to petroleum- based propulsion over others, which may not necessarily be EVs. Local jurisdictions may also impose restrictions on urban driving due to congestion, which may prioritize and accelerate micromobility trends and slow EV adoption growth. If any of the above cause or contribute to automakers reducing the availability of EV models or cause or contribute to consumers or businesses no longer purchasing EVs or purchasing fewer of them, it would materially and adversely affect Nxu' s business, operating results, financial condition and prospects. 20 We rely on **complex machinery for our operations, and production involves a significant degree of risk and uncertainty in terms of operational performance, safety, security, and costs. We rely heavily on complex machinery for our operations and our production involves a significant degree of uncertainty and risk in terms of operational performance, safety, security, and costs. Our manufacturing plant consists of large- scale machinery combining many components, including complex** software **to operate such machinery** and ~~hardware~~ **to coordinate operating activities across the manufacturing plant. The manufacturing plant components are likely to suffer unexpected malfunctions from time to time, especially as we ramp up production on new products, and will depend on repairs, spare parts, and IT solutions to resume operations, which may not be available when needed. Unexpected malfunctions of the manufacturing plant components may significantly affect operational efficiency. Operational performance and costs can be difficult to predict and are often influenced by factors outside of our control, such as, but not limited to, scarcity of natural resources, environmental hazards and remediation, costs associated with decommissioning of machines, labor disputes and strikes, difficulty or delays in obtaining governmental permits, damages or defects in electronic systems including the software used to control or operate them, industrial accidents, pandemics, fire, seismic activity, and natural disasters. Should operational risks materialize, it may result in the personal injury to or death of workers, the loss of production equipment, damage to manufacturing facilities, products, supplies, tools and materials, monetary losses, delays and unanticipated fluctuations in production, environmental damage, administrative fines, increased insurance costs, and potential legal liabilities, all which could have a material adverse effect on our business, prospects, financial condition, results of operations, and cash flows. Although we generally carry insurance to cover such operational risks, we cannot be certain that our insurance coverage will be sufficient to cover potential costs and liabilities arising therefrom. A loss** that is **uninsured** ~~highly technical, and if these systems contain errors, bugs, vulnerabilities, or design defects, or if we are unsuccessful in addressing or mitigating technical limitations in our -~~ - **or exceeds policy limits may** ~~systems, our business could be adversely affected. Our vehicles rely on software and hardware that is highly technical and complex and will~~ require **us** ~~modification and updates over the life of the vehicles. In addition, our vehicles depend on the ability of such software and hardware~~ to **pay substantial** ~~store, retrieve, process and manage immense~~ amounts ~~of data. Our software and hardware may contain errors~~ , ~~bugs, vulnerabilities or design defects, and our systems are subject to certain technical limitations that may compromise our ability to meet our objectives. Some errors, bugs, vulnerabilities, or design defects inherently may be difficult to detect and may only be discovered~~

~~after the code has been released for external or internal use. Although we will attempt to remedy any issues we observe in our vehicles effectively and rapidly, such efforts may not be timely, may hamper production or may not be to the satisfaction of our customers. Additionally, if we deploy updates to the software (whether to address issues, deliver new features or make desired modifications) and our over- the- air update procedures fail to properly update the software or otherwise have unintended consequences to the software, the software within our customers' vehicles will be subject to vulnerabilities or unintended consequences resulting from such failure of the over- the- air update until properly addressed. If we are unable to prevent or effectively remedy errors, bugs, vulnerabilities or defects in our software and hardware, or fail to deploy updates to our software properly, we would suffer damage to our reputation, loss of customers, loss of revenue or liability for damages, any of~~ which could adversely affect our business, prospects, financial condition, results of operations, and cash flows. ~~20~~ **The electric vehicle technology industry is rapidly evolving and may be subject to unforeseen changes which could adversely affect the demand for our chargers or other products and may increase our operating costs.** We **may be unable** ~~are dependent on suppliers and suppliers~~ to **keep up with changes in electric vehicle technology** ~~our~~ - **or** ~~third- party contract manufacturers who fabricate~~ **alternatives to electricity as a fuel source and, as a result, our competitiveness may suffer. Developments in alternative technologies, such as advanced diesel, hydrogen, ethanol, fuel cells,** ~~our~~ - **or** ~~equipment~~ **compressed natural gas, or improvements in the fuel economy of the ICE or the cost of gasoline, may materially and adversely affect our business and prospects in ways we do not currently anticipate. Existing and other battery cell technologies, fuels or sources of energy may emerge as customers' preferred alternative** to ~~fulfill orders placed~~ **our vehicles. Any failure** by us ~~.~~ ~~Timely delivery~~ **to develop new or enhanced technologies or processes, or to react to changes in existing technologies, could materially delay our development and introduction** of ~~orders or sources of energy may emerge as customers' preferred alternative to our vehicles.Any failure by us to develop new or enhanced technologies or processes,or to react to changes in existing technologies,could materially delay our development and introduction of~~ new and enhanced alternative fuel and electric vehicles,which could result in the loss of competitiveness of our vehicles,decreased revenue,and a loss of market share to competitors.Our research and development efforts may not be sufficient to adapt to changes in alternative fuel and electric vehicle technology.As technologies change,we plan to upgrade or adapt our vehicles with the latest technology.However,we are a relatively late entrant to the electric vehicle space.Our vehicles may not compete effectively with alternative systems if we are not able to source and integrate the latest technology into our vehicles.Additionally,the introduction and integration of new technologies into our vehicles may increase our costs and capital expenditures required for the production and manufacture of our vehicles and,if we are unable to cost efficiently implement such technologies or adjust our manufacturing operations,our business,prospects,financial condition,results of operations,and cash flows would be materially and adversely affected. ~~22 Increases in costs,disruption of supply,~~ **Rideshare and commercial fleets may not electrify as quickly as expected and may not rely on public fast charging or on Nxu' s network as much as expected.Future demand** ~~or~~ **for** ~~shortage~~ **or availability** of ~~materials,particularly lithium~~ **battery EVs from the medium** - ~~ion cells~~ **and heavy- duty vehicle segment may not develop as anticipated or take longer to develop than expected.The EV market** is **in** ~~needed to meet~~ the ~~requirements~~ **early stages** of **development and the medium- and heavy- duty vehicle segments, often particularly exposed to economic cycles, may not electrify as expected** ~~our~~ - **or** ~~customers,~~ **on the timeline that is expected. The medium-** and **heavy- duty vehicle fleets that lend themselves well to electrification via EV powertrains are often linked to municipal and commercial budgets and may take longer to electrify as** a ~~shortage~~ **result** of ~~materials~~ **budget or business constraints and administrative approvals. The mix of zero and low emission powertrains in certain vehicle classes and use cases in the medium- and heavy- duty sector may evolve less favorably** ~~or~~ **for** ~~components~~ **EV solutions due to future development of technologies and policy incentives that may favor existing diesel fuel, hybrid, natural gas or hydrogen fuel cell drivetrains. Medium- and heavy- duty vehicle OEMs may choose not to or may not be able to manufacture EVs in sufficient quantities or at all. 21 The EV market currently benefits from the availability of rebates, tax credits and other financial incentives from governments, utilities and others to offset the purchase or operating cost of EVs and EV charging stations. The reduction, modification or elimination of such benefits could adversely affect Nxu' s financial results and ability to continue to grow. The U. S. federal government and some state and local governments provide incentives to end users and purchasers of EVs and EV charging stations in the form of rebates, tax credits and other financial incentives** , such as ~~microprocessors~~ **payments for regulatory credits. The EV market relies on these governmental rebates** , **tax credits and other financial incentives to significantly lower the effective price of EVs and EV charging stations. However, these incentives may expire on a particular date, end when the allocated funding is exhausted, or may be reduced or terminated as a matter of regulatory or legislative policy. In particular, Nxu has historically benefitted from the availability of federal tax credits under Section 30C of the Code, which effectively subsidized the cost of placing in service Nxu' s charging stations. The Inflation Reduction Act revised the credits under Section 30C of the Code to (i) retroactively extend the expiration of the credit as of December 31, 2021 (with such credit continuing to be capped at $ 30, 000 per location for EV charging stations placed in service before January 1, 2023) until December 31, 2032, (ii) revised the credit structure, availability and requirements for EV charging stations placed in service after December 31, 2022 and (iii) introduced the concept of transferability of tax credits, providing an additional option to monetize such credits. As part of the revised credit structure and requirements for EV charging stations placed in service after December 31, 2022, the available Section 30C credit was expanded such that it is capped at $ 100, 000 per item; however, in order to be eligible for such tax credit, EV charging stations must be installed in rural or low- income census tracts. Additionally, in order to receive the full tax credit, labor for EV charging station construction and maintenance must meet prevailing wage and apprenticeship requirements unless an exception applies. There** can ~~disrupt~~ **be no assurance that** the **EV charging stations placed in service by Nxu** ~~production of our equipment. As a vehicle manufacturer, we~~ will ~~be subject to~~ **meet the revised requirements for the Section 30C credits and compliance with such requirements could increase Nxu' s labor and** ~~the~~ **other** ~~same~~

~~vagaries~~ **costs. Any reduction in rebates, tax credits or other financial incentives available to EVs or EV charging stations, could negatively affect the EV market and adversely impact Nxu' s business operations and expansion potential. In addition, there is no assurance Nxu will have the necessary tax attributes to utilize any such credits that are available and may not be able to monetize such credits on favorable terms. Federal guidance on Buy America requirements (effective** as ~~the rest~~ of **March 23** ~~the automotive industry. With a significant number of microprocessors in each of our systems, we and our~~ **2023) applicable to** ~~other~~ -- **the** ~~parties who need microprocessors are~~ **National Electric Vehicle Infrastructure (" NEVI ") Program, which was established by the Bipartisan Infrastructure Law, requires immediate domestic assembly and U. S. steel requirements for chargers to qualify for funding under the NEVI program, with higher domestic content percentages required in 2024. Nxu' s suppliers may** ~~experiencing~~ **experience delays in bringing their U** ~~various levels of disruption to production~~ . ~~The microprocessor~~ **S. facilities online, and Nxu may be unable to source Buy America- compliant chargers in time to take advantage of early NEVI funding opportunities or only at increased costs. Nxu may be at a disadvantage to competitors that have already implemented domestic assembly and content standards into their** supply chain **. Nxu' s customers may request delays or adjustments to their build- out plans in order to accommodate these added Buy America requirements, which could result in delays in receipt of revenue from customers. New tariffs and policies that could incentivize overbuilding of infrastructure may also have a negative impact on the economics of Nxu' s stations. Furthermore, new tariffs and policy incentives could be put in place that favor equipment manufactured by or assembled at American factories, which may put Nxu' s fast charging equipment vendors at a competitive disadvantage, including by increasing the cost or delaying the availability of charging equipment, by challenging or delaying Nxu' s ability to apply or qualify for grants and other government incentives, or for certain charging infrastructure build- out solicitations and programs, including those initiated by federal government agencies. Moreover, a variety of incentives and rebates offered by the U. S. federal government as well as state and local governments in order to encourage the use of EVs may be limited or reduced. In particular, the U. S. federal government offers a tax credit, the maximum amount of which** is ~~complex~~ **$ 7** , **500, for qualified new plug- in EVs. The Inflation Reduction Act modified the tax credit for new plug- in EVs** and ~~a constrained capacity~~ **added new tax credits for used and commercial EVs. The Inflation Reduction Act removed the phase- out** of **tax credits for new plug- in EVs with respect to vehicle manufacturers that reached** certain ~~components~~ **production levels beginning in 2023. However, the tax credit** is ~~occurring deep in~~ **subject to additional requirements and limitations, such as certain adjusted gross income limits for consumers claiming** the **credit, domestic content requirements for critical minerals and batteries and a requirement for final assembly to occur in North America. Such additional requirements and limitations for such tax credits may reduce incentives available to encourage the adoption of EVs; favor competitors whose production** ~~chain~~ **chains enable them to more readily take advantage of such incentives; delay purchases and installations of charging equipment by the Company as manufacturing of charging equipment is moved to the U** . ~~There~~ **S. in order to expand eligibility for such incentives (which, in turn, could delay the Company' s recognition of revenue in connection with such stalls); increase the cost of procurement of some inputs in the construction of charging infrastructure; and negatively affect the EV market and adversely impact Nxu' s business operations and expansion potential. Any such developments could** have ~~been significant disruptions to capacity and~~ - **an** ~~reallocations of supply capacity during the COVID- 19 pandemic. Furthermore, prior to the COVID- 19 pandemic, microprocessor manufacturers were already seeing increasing demand and that demand has further increased based on labor shortages and the need for greater automation. A shortage of microprocessors or other materials or components can cause a significant disruption to our production schedule and have a substantial~~ adverse effect on ~~our~~ **Nxu' s business,** financial condition ~~or~~ **and** results of operations ~~. Given our weaker relative bargaining power, there is a real risk that we will experience significant difficulties in obtaining supplies of microchips. If this occurs, we may experience significant production delays and will not meet our production goals. Lack of production will have a direct impact on sales and would likely cause us to miss our quarterly and annual earnings estimates. Natural resource scarcity may cause delays in the development and manufacturing of our products. The development of our products in the timeframe we anticipate is based on an ability to secure requisite levels of natural resources to produce the number of battery cells and battery packs necessary to meet our production goals. Two of the main natural resources in battery chemistry are lithium and cobalt. Given that these are scarce resources, there is a chance that we are unable to secure enough to meet our battery production goals. If this happens, we will not meet our overall production or profitability estimates. To mitigate this risk, we will explore opportunities to purchase futures to hedge against natural resource cost inflation and / or scarcity. Additionally, global political and economic tensions could contribute to natural resource scarcity. For example, Russia is a major exporter of natural resources. With the imposition of economic sanctions and import restrictions, there will be a loss of supply in global markets. Restricted supply is likely to result in upward price pressures. The automotive industry is subject to similar natural resource unpredictability in other countries. As such, our pricing and profitability models may need to be adjusted in reaction to these outside pressures. Company growth depends on avoiding battery production bottlenecks. Our Company' s success is highly dependent upon our ability to produce battery cells and packs at high levels of volume and low cost. If the Company is unable to produce enough battery cells and packs, for any reason, it would result in the Company missing its overall production and profitability estimates. To avoid the risk of catastrophic battery bottlenecks, the Company intends to explore options for outsourcing some of the battery production to diversify its battery sourcing. If there is inadequate access to charging stations, our business may be materially and adversely affected. Demand for our vehicles will depend in part upon the availability of a charging infrastructure. We market our ability to provide our customers with comprehensive charging solutions, including our networks of charging stations, as well as the installation of home chargers for users where practicable, and provide other solutions including charging through publicly accessible charging infrastructure. We have very limited experience in the actual provision of our charging solutions to customers and providing these services is subject to challenges. While the prevalence of charging stations generally has been~~

~~increasing, charging station locations are significantly less widespread than gas stations. Some potential customers may choose not to purchase our vehicles because of the lack of a more widespread charging infrastructure. Further, to provide our customers with access to sufficient charging infrastructure, we will rely on the availability of, and successful integration of our vehicles with, third- party charging networks. Any failure of third- party charging networks to meet customer expectations or needs, including quality of experience, could impact the demand for electric vehicles, including ours. For example, where charging bays exist, the number of vehicles could oversaturate the available charging bays, leading to increased wait times and dissatisfaction for customers. In addition, given our limited experience in providing charging solutions, there could be unanticipated challenges, which may hinder our ability to provide our solutions or make the provision of our solutions costlier than anticipated. To the extent we are unable to meet user expectations or experience difficulties in providing our charging solutions, our reputation and business, prospects, financial condition, results of operations, and cash flows could be materially and adversely affected. 21 Our vehicles will make use of lithium- ion battery cells, which, if not appropriately managed and controlled, have been observed to catch fire or vent smoke and flame. The battery packs within our vehicles will make use of lithium- ion cells. If not properly managed or subject to environmental stresses, lithium- ion cells can rapidly release the energy they contain by venting smoke and flames in a manner that can ignite nearby materials as well as other lithium- ion cells. While the battery pack is designed to contain any single cell' s release of energy without spreading to neighboring cells, a field or testing failure of battery packs in our vehicles could occur, which could result in bodily injury or death and could subject us to lawsuits, field actions (including product recalls), or redesign efforts, all of which would be time consuming and expensive and could harm our brand image. We have already experienced minor thermal events in connection with battery cell testing failures. As the scale and intensity of testing increases, the likelihood of additional thermal events will also increase. Also, negative public perceptions regarding the suitability of lithium- ion cells for automotive applications, the social and environmental impacts of mineral mining or procurement associated with the constituents of lithium- ion cells, or any future incident involving lithium- ion cells, such as a vehicle or other fire, could materially and adversely affect our reputation and business, prospects, financial condition, results of operations, and cash flows~~ . We have minimal experience servicing and repairing our ~~vehicles~~ **charging stations** . If we or our partners are unable to adequately service our ~~vehicles,~~ **charging stations** our business, prospects, financial condition, results of operations, and cash flows could be materially and adversely affected. We have minimal experience servicing and repairing our ~~vehicles~~ **charging stations** . Servicing **our products** ~~electric vehicles is different than servicing vehicles with internal combustion engines and~~ requires specialized skills, including high voltage training and servicing techniques. Although we are planning to internalize most aspects of vehicle service over time, initially we plan to partner with third parties to enable nationwide coverage for **our network** ~~roadside and off- road assistance and collision repair needs~~ . There can be no assurance that we will be able to enter into an acceptable arrangement with any such third- party providers. Although such servicing partners may have experience in servicing other vehicles, they will initially have limited experience in servicing our vehicles. There can be no assurance that our service arrangements will adequately address the service requirements of our customers to their satisfaction, or that we and our servicing partners will have sufficient resources, experience, or inventory to meet these service requirements in a timely manner as the volume of ~~electric vehicles~~ **charging stations** we ~~deliver~~ **deploy** increases. **22** ~~In addition, a number of states currently impose limitations on the ability of manufacturers to directly service vehicles. The application of these state laws to our operations would hinder or impede our ability to provide services for our vehicles from a location in every state. As a result, if we are unable to roll out and establish a widespread service network that complies with applicable laws, customer satisfaction could be adversely affected, which in turn could materially and adversely affect our reputation and thus our business, prospects, financial condition, results of operations, and cash flows.~~ As we continue to grow, additional pressure may be placed on our customer support team or partners, and we may be unable to respond quickly enough to accommodate short- term increases in customer demand for technical support. Customer behavior and usage may result in higher than expected maintenance and repair costs, which may negatively affect our business, prospects, financial condition, results of operations, and cash flows. We also could be unable to modify the future scope and delivery of our technical support to compete with changes in the technical support provided by our competitors. Increased customer demand for support, without corresponding revenue, could increase costs and negatively affect our results of operations. If we are unable to successfully address the service requirements of our customers or establish a market perception that we do not maintain high- quality support, we may be subject to claims from our customers, including loss of revenue or damages, and our business, prospects, financial condition, results of operations, and cash flows could be materially and adversely affected. The automotive industry and its technology are...... impact our operating results. A product **Product** recall could hinder ~~our~~ growth **and product liability or other claims could have a material adverse effect on our business** . If the **Nxu** ~~Atlis' s XT pickup truck~~ **Truck** , **Nxu** ~~XP truck platform~~ **Platform** , or ~~Advanced~~ **NxuOne ™** Charging Station are unable to meet performance and quality criteria, we may be required to perform product recalls to address said concerns. A product recall can have a substantial cost related to performing such corrective actions. Although ~~Atlis~~ **Nxu** will perform significant internal testing and qualifications, as well as external qualifications through approved third- party vendors against industry standards and regulatory requirements, there will be unperceived conditions which may negatively impact the customer or Company expected performance and safety of our vehicles. As such, ~~Atlis~~ **Nxu** may perform a corrective action such as a recall of products, mandatory repairs of defective components, or litigation settlements which can materially affect our financial goals, operation results, brand, business, and products. If we are unable to provide significant charging stations, our business success may be substantially affected. A significant portion of our success is our ability to deploy the appropriate number of charging stations, in strategic locations relative to our customers and customer behaviors. If ~~Atlis~~ **Nxu** is unable to deploy charging stations to specified locations, this may negatively affect our brand, business, financial goals, operational results, and product success in the market. As such, to meet said availability requirements, ~~Atlis~~ **Nxu** will require significant capital investments to rapidly deploy said ~~Advanced~~ **NxuOne ™** Charging Stations, as well as development of relationships with third party members who can assist in deployment of said charging stations. If we are unable to address service requirements, we may negatively affect our customer experience. As such, ~~Atlis~~ **Nxu** will require service capabilities to be established in locations within close proximity to our **Nxu** ~~XT pickup truck~~ **Truck** and **Nxu** ~~XP truck platform~~ **Platform** owners. ~~Atlis~~ **Nxu** ' s ability to engage with third party operating service stations, as well as our ability to establish company operated locations, will be critical to the success of developing a positive customer experience. ~~Product liability or other claims could have a material adverse effect on our business.~~ While ~~Atlis~~ **Nxu** will work diligently to meet all company and regulatory safety requirements, there is a chance that a component catastrophically fails. It is possible that through unknown circumstances or conditions out of our control, some person is injured by our product. The risk of product liability claims, product recalls and associated adverse publicity is inherent in the manufacturing, marketing and sale of all vehicles, including electric vehicles. A successful product liability claim against us could require us to pay a substantial monetary award. Moreover, a product recall could generate substantial negative publicity about our products and business and inhibit or prevent commercialization of other future product candidates. We cannot provide assurance that such claims and / or recalls will not be made in the future. **We are subject to substantial regulations and unfavorable changes to, or failure by us to comply with, these regulations could substantially harm our business and operating results. Our charging stations, batteries, and the sale of electric vehicles and motor vehicles in general, are subject to regulation under international, federal, state, and local laws, including export and import control laws. We expect to incur significant costs in complying with these regulations. Regulations related to the battery and electric vehicle industry are currently evolving and we face risks associated with these changing regulations. To the extent that a law changes, our products may not comply with applicable international, federal, state, and local laws, which would have an adverse effect on our business. Compliance with changing regulations could be time consuming, burdensome, and expensive. To the extent compliance with new and existing regulations is cost prohibitive, our business prospects, financial condition, and operating results would be adversely affected. Internationally, there may be laws and jurisdictions we have not yet entered or laws we are unaware of in jurisdictions we have entered that may restrict our sales or other business practices. These laws may be complex, difficult to interpret and may change over time. Continued regulatory limitations and obstacles that may interfere with our ability to commercialize our products could have a negative and material impact on our business, prospects, financial condition, and results of our operation. We are subject to requirements relating to environmental and safety regulations and environmental remediation matters which could adversely affect our business, results of operation and reputation.** 23 ~~Risks Related to Our Management~~ We are dependent upon our executives for their services and ~~any interruption in their~~ -- **the** ~~ability to provide their services could cause us to cease~~ **loss of personnel may have a material adverse effect on our business and** operations. The loss of the services of our CEO, CFO, or President, Mr. Mark Hanchett, ~~Mr~~ **Ms** . ~~Apoorv Dwivedi~~ **Sarah Wyant** , or Mrs. Annie Pratt **,** respectively, could have a material adverse effect on us. We do not maintain any key man life insurance on our executives. The loss of any of our executives' services could cause investors to lose all or a part of their investment. Our future success will also depend on our ability to attract, retain and motivate other highly skilled employees. Competition for personnel in our industry is intense. We may not be able to retain our key employees or attract, assimilate or retain other highly qualified employees in the future. If we do not succeed in attracting new personnel or retaining and motivating our current personnel, our business will be adversely affected. Our management team does not have ~~any~~ experience **running** ~~in operating~~ a ~~publicly~~ -- **public** ~~traded~~ company. While our management team has a wide breadth of business experience, none of our executive officers have held an executive position at a publicly traded company. Given the onerous compliance requirements to which public companies are subject, there is a chance our executive officers will fail to perform at a level expected of public company officers. In such an event, the Company' s share price could be adversely ~~effected~~ **affected** . The management team' s limited experience in dealing with the increasingly complex laws pertaining to public companies could be a significant disadvantage in that it is likely that an increasing amount of their time may be devoted to these activities which will result in less time being devoted to the management and growth of the company. We may not have adequate personnel with the appropriate level of knowledge, experience and training in the accounting policies, practices or internal control over financial reporting required of public companies in the United States **.** We **may** ~~are in the process of upgrading~~ **upgrade** our systems to an enterprise resource management system, and a delay could impact our ability or prevent us from timely reporting our operating results, timely filing required reports with the SEC and complying with Section 404 of the Sarbanes- Oxley Act ~~of 2002 (the " Sarbanes- Oxley Act ")~~ . The development ~~and implementation~~ of the standards and controls necessary for us to achieve the level of accounting standards required of a public company in the United States may require costs greater than expected. We plan to expand our employee base and hire additional employees to support our operations as a public company which will increase our operating costs in future periods. We are significantly influenced by our officers and directors ~~. The Company' s Chief Executive Officer and majority stockholder, Mark Hanchett, controls approximately 71 % of the voting power of our outstanding common stock. Additionally, the Company' s President, Annie Pratt, controls approximately 26 % of the voting power of our outstanding common stock. These stockholders, if acting together, are able to significantly influence all matters requiring approval by stockholders, including the election of directors and the approval of mergers or other business combinations transactions~~ . Our future performance is dependent on the ability to retain key personnel. The Company' s performance is substantially dependent on the performance of senior management. The loss of the services of any of its executive officers or other key employees could have a material adverse effect on the Company' s business, results of operations and financial condition. **Management' s judgment, estimates and assumptions have a significant impact on business decisions and accounting policies. Our management team is not infallible. We rely heavily on our management team' s judgment in formulating the estimates and assumptions that govern our business decisions and accounting policies. Despite their best intentions, errors in our management team' s judgment may result in significant negative impacts to the Company' s financial performance.** We rely on human resources, the loss of services of any of such personnel may have a material adverse effect on our business and operations. We rely on our management team, our advisors, third- party consultants, third- party developers, service providers, technology partners, outside attorneys, advisors, accountants, auditors, and other administrators. The loss of services of any of such personnel may have a material adverse effect on our business and operations. **24** ~~We may be unable to attract and retain the required talent. The nature of our product development efforts requires us to hire talent to complete highly technical and specialized work. Recruiting for these specialized roles may be challenging, and we may be competing with top companies to attract and retain employees for these roles. If we cannot secure the right talent, our product development and production schedules may be affected.~~ Limitations of director liability and director and officer indemnification. Our Charter limits the liability of directors to the maximum extent permitted by Delaware law. Delaware law provides that directors of a corporation will not be personally liable for monetary damages for breach of their fiduciary duties as directors, except for liability for any: · breach of their duty of loyalty to us or our stockholders; · act or omission not in good faith or that involves intentional misconduct or a knowing violation of law; ~~24~~ · unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or · ~~Transactions~~ **transactions** for which the directors derived an improper personal benefit. These limitations of liability do not apply to liabilities arising under the federal or state securities laws and do not affect the availability of equitable remedies such as injunctive relief or rescission. Our ~~Amended and Restated~~ Bylaws (the " ~~A & R~~ Bylaws ") provide that we will indemnify our directors, officers and employees to the fullest extent permitted by law. Our ~~A & R~~ Bylaws also provide that we are obligated to advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding. We believe that these Bylaw provisions are necessary to attract and retain qualified persons as directors and officers. The limitation of liability in our ~~A & R~~ Bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against directors and officers, even though an action, if successful, might provide a benefit to us and our stockholders. Our results of operations and financial condition may be harmed to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. Limitations on remedies; indemnification. Our **Certificate of Incorporation** ~~Amended and Restated Charter (as defined below)~~ , as amended from time to time, ~~will provide~~ **provides** that officers, directors, employees and other agents and their affiliates shall only be liable to the Company and its stockholders for losses, judgments, liabilities and expenses that result from ~~the~~ fraud or other breach of fiduciary obligations. Additionally, we **assumed certain** ~~intend to enter into corporate~~ indemnification agreements with each of our officers and directors consistent with industry practice. Thus, certain alleged errors or omissions might not be actionable by the Company. Our governing instruments ~~will~~ also provide that, under the broadest circumstances allowed under law, we must indemnify its officers, directors, employees and other agents and their affiliates for losses, judgments, liabilities, expenses and amounts paid in settlement of any claims sustained by them in connection with the Company, including liabilities under applicable securities laws ~~. RISKS RELATED TO OUR CAPITAL STRUCTURE AND OWNERSHIP OF OUR CLASS A COMMON STOCK The dual class structure of our common stock has the effect of concentrating voting power with members of our management team, which will limit your ability to influence the outcome of important transactions, including a change in control. Our Class D common stock has 10 votes per share, and our Class A common stock has one vote per share. Members of our management team together hold all of the issued and outstanding shares of our Class D common stock. Accordingly, Mark Hanchett, our Chief Executive Officer and a member of our Board of Directors holds approximately 71 % of the voting power of our outstanding capital stock; and Annie Pratt, our President and a member of our Board of Directors, holds approximately 26 % of the voting power of our outstanding capital stock. Therefore, our management team, individually or together, are able to significantly influence matters submitted to our stockholders for approval, including the election of directors, amendments of our organizational documents and any merger, consolidation, sale of all or substantially all of our assets or other major corporate transactions. These members of our management team, individually or together, may have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. This concentrated control may have the effect of delaying, preventing or deterring a change in control of our Company, could deprive our stockholders of an opportunity to receive a premium for their capital stock as part of a sale of our Company and might ultimately affect the market price of our Class A common stock. In addition, future issuances of our Class D common stock to Mark Hanchett, Annie Pratt or other members of our management team may be dilutive to holders of our Class A common stock~~ . We cannot predict the impact our dual class structure may have on our stock price. We cannot predict whether our dual class structure will result in a lower or more volatile market price of our Class A common stock or in adverse publicity or other adverse consequences. For example, because of our dual class structure, we will likely be excluded from certain indexes, and we cannot assure you that other stock indexes will not take similar actions. Given the sustained flow of investment funds into passive strategies that seek to track certain indexes, exclusion from stock indexes would likely preclude investment by many of these funds and could make our Class A common stock less attractive to other investors. As a result, the market price of our Class A common stock could be adversely affected. ~~We~~ **The market price of our Class A common stock has fluctuated, and may continue to fluctuate, significantly. The market price of our Class A common stock has fluctuated, and may continue to fluctuate, significantly and our stockholders may lose all or part of their investment. The market prices for securities of startup companies have historically been highly volatile, and the market has from time- to- time experienced significant price and volume fluctuations that** are ~~that are~~ unrelated to the operating performance of particular companies.The market price of our Class A common stock has fluctuated,and may continue to fluctuate,significantly in response to numerous factors,some of which are beyond our control,such as:· actual or anticipated adverse results or delays in our research and development efforts;· our failure to commercialize our ~~XP~~ **Nxu** Platform and **Nxu** ~~XT pickup truck~~ **Truck** ;· unanticipated serious safety concerns related to the use of our products;· adverse regulatory decisions;· legal disputes or other developments relating to proprietary rights,including patents,litigation matters and our ability to obtain patent protection for our intellectual property,government investigations and the results of any proceedings or lawsuits,including patent or stockholder litigation;· changes in laws or regulations applicable to the electric vehicle industry;· our dependence on third party suppliers;· announcements of the introduction of new products by our competitors;· market conditions in the electric vehicle industry;· announcements concerning product development results or intellectual property rights of others; **25** · future issuances of our common stock or other securities;· the addition or departure of key personnel;· actual or anticipated variations in quarterly operating results;· announcements of significant acquisitions,strategic partnerships,joint ventures or capital commitments by us or our competitors;· our failure to meet or exceed the estimates and projections of the investment community;· issuances of debt or equity securities;· trading volume of our common stock;· sales of our Class A common stock by us or our stockholders in the future;· overall performance of the equity markets and other factors that may be unrelated to our operating performance or the operating performance of our competitors,including changes in market valuations of similar companies;· failure to meet or exceed any financial guidance or expectations regarding development milestones that we may provide to the public;· ineffectiveness of our internal controls;· general political and economic conditions;· effects of natural or man- made catastrophic events;· scarcity of raw materials necessary for battery production; **and** · other events or factors,many of which are beyond our control.Further,price and volume fluctuations may result in volatility in the price of our Class A common stock,which could **cause** a **decline in the value of our common stock. Price volatility of our Class A common stock might worsen if the trading volume of our shares is low. The realization of any of the above risks or any of a broad range of other risks, including those described in these** " ~~controlled company~~ **Risk Factors,** " **could have a dramatic and material adverse impact on the market price of our Class A common stock. If the market price of our Class A common stock declines below $ 1 for more than 30 consecutive trading days, we may be deemed noncompliant** ~~within~~ -- **with** ~~the meaning of the~~ Nasdaq **listing** rules ~~and~~ , ~~as~~ **which would require** a ~~result~~ **cure. Pursuant to Nasdaq Listing Rule 5810 (c) (3) (A)** , ~~qualify for and rely on exemptions from certain corporate governance~~ **the Company must maintain a closing bid price over $ 1. 00 per share (" Minimum Bid Price** ~~requirements~~ - **Requirement ")** . **Currently** ~~As a result~~ , ~~our stockholders do not have~~ the ~~same protections afforded to stockholders of companies that cannot rely on such exemptions and are subject to such requirements. The~~ Company' s **closing bid price has been** ~~Chief Executive Officer beneficially owns and controls a majority of the combined voting power of our common stock. As a result, we are a " controlled company " within the meaning of the Nasdaq listing rules. Under~~ **under** ~~these rules, a company of which~~ **$ 1. 00 per share for** more than ~~50 % of~~ **15 consecutive trading days. If** the ~~voting power~~ **Company' s closing bid price** is ~~held~~ **below $ 1. 00 per share for more than 30 consecutive trading days, we may be deemed noncompliant with Nasdaq' s continued listing requirements. The Company would have 180 calendar days from receipt of a notice from Nasdaq (the " Compliance Period "), to regain compliance with the Minimum Bid Price Requirement. If at any time during the Compliance Period, the bid price of the Class A Common Stock closes at or above $ 1. 00 per share for a minimum of ten consecutive business days, Nasdaq will provide the Company with written confirmation of compliance with the Minimum Bid Price Requirement and the matter will be closed. In the event the Company does not regain compliance with the Minimum Bid Price Requirement** by **the end of the Compliance Period, the Company may be eligible for** an **additional 180- calendar day grace period. Pursuant** ~~individual, a group or another company is a " controlled company " and may elect not~~ to ~~comply with certain corporate governance requirements of~~ Nasdaq ~~, including, but not limited to, the requirement that: · a majority of the Board of Directors consist of directors who qualify as " independent " as defined under the Nasdaq listing~~ **Listing Rule 5810** ~~rules; 25 · its Board of Directors have a nominating and corporate governance committee composed entirely of independent directors with a written charter addressing the committee' s purpose and responsibilities, and · its Board of Directors have a compensation committee composed entirely of independent directors with a written charter addressing the committee' s purpose and responsibilities; and · its Board of Directors conduct an annual performance evaluation of its compensation committee and the nominating and corporate governance committee. We intend to rely on some or all of these exemptions so long as we remain a " controlled company. " As a result, we do not have~~ (~~i~~ **3**) ~~a majority of independent directors,~~ (~~ii~~ **A**) ~~a nominating and governance committee composed entirely of independent directors, and~~ (iii) ~~a compensation committee composed entirely of independent directors. Accordingly~~ , **if during any compliance period specified in Nasdaq Listing Rule 5810 (c) (3) (A), a company' s security has a closing bid price of $ 0. 10** ~~our~~ - **or** ~~stockholders~~ **less for ten consecutive trading days, the Listing Qualifications Department of Nasdaq will issue a Staff Delisting Determination under Nasdaq Listing Rule 5810 with respect to that security (the " Low Priced Stocks Rule "). If a company receives such delisting notice, the company can request a hearing before a Nasdaq hearings panel (the " Panel "). If the Class A Common Stock closes at or below $ 0. 10 for ten consecutive days during the Compliance Period or any additional compliance period, the Company could receive a Staff Delisting Determination during the Compliance Period or any additional compliance period or, if the Company receives such Staff Delisting Determination, Nasdaq may not grant the Company' s request for a hearing, or if Nasdaq grants the Company' s request for a hearing, the Panel may not grant the Company' s request for continued listing of the Class A Common Stock on The Nasdaq Capital Market pending the Company' s compliance with all applicable listing criteria, including the Minimum Bid Price Requirement, or the Company may be unable to timely satisfy the terms of any extension that may be granted by the Panel. If the market price of our Class A common stock declines precipitously, the only cure may be to enact a reverse split of the stock. Failure to maintain compliance with Nasdaq' s Continued Listing Rules could be costly and have material adverse effects. The Company will continue to monitor the closing bid price of its Class A Common Stock and seek to maintain compliance with all applicable Nasdaq requirements within the allotted compliance periods and may, if appropriate, consider available options, including implementation of an additional reverse stock split, to regain compliance with the Minimum Bid Price Requirement or the Low Priced Stocks Rule, as applicable. On December 27, 2023, the Company completed a Reverse Stock Split at a ratio of 1- for- 150. If the Company does not maintain compliance with the Minimum Bid Price Requirement, the Company may be forced to complete another reverse stock split, which could negatively affect the price of its Common Stock. Further, while Nasdaq rules** do not **impose a specific**

limit on the number of times a listed company may effect a reverse stock split to maintain or regain compliance with the Minimum Bid Price Requirement, Nasdaq has stated that a series of reverse stock splits may undermine investor confidence in securities listed on Nasdaq. Accordingly, Nasdaq may determine that it is not in the public interest to maintain the Company' s listing, even if we regain compliance with the Minimum Bid Price Requirement. 26 In addition, Nasdaq Listing Rule 5810 (c) (3) (A) (iv) states that if a listed company that fails to meet the Minimum Bid Price Requirement after effecting one or more reverse stock splits over the prior two- year period with a cumulative ratio of 250 shares or more to one, then the company is not eligible for a Compliance Period. The Company has effected a reverse stock split with a cumulative ratio of 150 shares to one. A subsequent reverse stock split could cause the Company to exceed the 1- for- 250 ratio. If such ratio is exceeded, the Company would no longer be eligible for a Compliance Period and may be subject to an immediate delisting notification in the event it cannot comply with the Minimum Bid Price Requirement in the future. Any future non- compliance may be costly, divert management' s time and attention, and could have **a material adverse effect on** the ~~same protections afforded~~ **Company' s business, reputation, financing, and results of operation A delisting could substantially decrease trading in the Class A Common Stock, adversely affect the market liquidity of the Common Stock as a result of the loss of market efficiencies associated with Nasdaq and the loss of federal preemption of state securities laws, materially adversely affect its ability** to **obtain financing on acceptable terms, if at all, and may result in the potential loss of confidence by investors, suppliers, customers and employees and fewer business development opportunities. Additionally, the market price of the Class A Common Stock may decline further and** stockholders ~~of companies subject to~~ **may lose some or** all of ~~the corporate governance requirements of Nasdaq. Our Chief Executive Officer and majority stockholder may significantly influence matters to be voted on and~~ their **investment** ~~interest may differ from, or be adverse to, the interest of our other stockholders. Accordingly, Mr. Hanchett possesses significant influence over the Company on matters submitted to the stockholders for approval, including the election of directors, mergers, consolidations, the sale of all or substantially all of our assets, and also the power to prevent or cause a change in control. This amount of control gives him substantial ability to determine the future of our Company, and as such, he may elect to close the business, change the business plan or make any number of other major business decisions without the approval of the remaining stockholders. The interest of Mr. Hanchett may differ from the interests of our other stockholders and could therefore result in corporate decisions that are adverse to other stockholders~~ . We do not anticipate dividends to be paid on our Class A common stock and **investors** ~~our stockholders~~ may lose the entire amount of their investment. A dividend has never been declared or paid in cash on our Class A common stock and we do not anticipate such a declaration or payment for the foreseeable future. We expect to use future earnings, if any, to fund business growth. Therefore, stockholders will not receive any funds absent a sale of their Class A common stock. We cannot assure stockholders of a positive return on their investment when they sell their Class A common stock, nor can we assure that stockholders will not lose the entire amount of their investment. Any payment of dividends on our capital stock will depend on our earnings, financial condition and other business and economic factors affecting us at such a time as the Board of Directors may consider it relevant. If we do not pay dividends, our Class A common stock may be less valuable because a return on our stockholders' investment will only occur if the common stock price appreciates . Our lack of business diversification could...... lines of business or alternative revenue sources . We are an emerging growth company and a smaller reporting company within the meaning of the Securities Act, and if we take advantage of certain exemptions from disclosure requirements available to emerging growth companies and smaller reporting companies, this could make our securities less attractive to investors and may make it more difficult to compare our performance with other public companies. We are an " emerging growth company " within the meaning of the Securities Act, as modified by the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes- Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. As a result, our stockholders may not have access to certain information they may deem important. We could be an emerging growth company for up to five years, although circumstances could cause us to lose that status earlier, including if the market value of our Class A common stock held by non- affiliates exceeds $ 700 million as of any June 30 before that time, in which case we would no longer be an emerging growth company as of the following December 31. We cannot predict whether investors will find our securities less attractive because we will rely on these exemptions. If some investors find our securities less attractive as a result of our reliance on these exemptions, the trading prices of our securities may be lower than they otherwise would be, there may be a less active trading market for our securities and the trading prices of our securities may be more volatile. ~~26~~ Further, Section 102 (b) (1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such an election to opt out is irrevocable. We have elected not to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accountant standards used. Additionally, we are a " smaller reporting company " as defined in Rule 10 (f) (1) of Regulation S- K. Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, providing only two years of audited financial statements. We will remain a smaller reporting company until the last day of the fiscal year in which (1) the market value of our common stock held by non- affiliates exceeds $ 250 million as of the end of the prior June 30th, or (2) our annual revenues exceeded $ 100 million during such completed fiscal year and the market value of our common stock held by non- affiliates exceeds $ 700 million as of the prior June 30. To the extent we take advantage of such reduced disclosure obligations, it may also make the comparison of our financial statements with other public companies difficult or impossible. **27** We will incur significant additional costs as a result of being a public company, and our management will be required to devote substantial time to compliance with our public company responsibilities and corporate governance practices. We expect to incur increased costs associated with corporate governance requirements that are now applicable to us as a public company, including rules and regulations of the SEC, under the Sarbanes- Oxley Act, the Dodd- Frank Wall Street Reform and Customer Protection Act of 2010, and the Exchange Act, as well as the rules of Nasdaq. These rules and regulations are expected to significantly increase our accounting, legal and financial compliance costs and make some activities more time consuming, including due to increased training of our current employees, additional hiring of new employees, and increased assistance from consultants. We expect such expenses to further increase after we are no longer an " emerging growth company. " We also expect these rules and regulations to make it more expensive for us to maintain directors' and officers' liability insurance. As a result, it may be more difficult for us to attract and retain qualified persons to serve on our ~~board~~ **Board** of ~~directors~~ **Directors** or as executive officers. Furthermore, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time- consuming and costly. We cannot predict or estimate the amount of additional costs we will incur as a public company or the timing of such costs. In addition, our management team will need to devote substantial attention to transitioning to interacting with public company analysts and investors and complying with the increasingly complex laws pertaining to public companies, which may divert attention away from the day- to- day management of our business, including operational, research and development and sales and marketing activities. Increases in costs incurred or diversion of management' s attention as a result of becoming a publicly traded company may adversely affect our business, prospects, financial condition, results of operations, and cash flows. Small public companies are inherently risky and we may be exposed to market factors beyond our control. If such events were to occur it may impact ~~out~~ **our** operating results. Managing a small public company involves a high degree of risk. Few small public companies ever reach market stability and we will be subject to oversight from governing bodies and regulations that will be costly to meet. Our present officer has limited experience in managing a fully reporting public company, so we may be forced to obtain outside consultants to assist us with meeting these requirements. These outside consultants are expensive and can have a direct impact on our ability to be profitable. This will make an investment in our Company a highly speculative and risky investment. Failure to maintain internal controls over financial...... which could adversely affect our business. Our quarterly operating results may fluctuate. We...... negatively affected. Our A & R Bylaws include forum selection provisions, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us. Our ~~A & R~~ Bylaws require that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if that court lacks subject matter jurisdiction, another federal or state court situated in the State of Delaware) will be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of our business, (ii) any action asserting a claim of breach of a duty owed by any director, officer, employee, agent or stockholder of ours to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL or (iv) any action asserting a claim governed by the internal affairs doctrine. In addition, our ~~A & R~~ Bylaws require that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States will be the exclusive forum for the resolution of any complaint asserting a cause of action under the Securities Act and the Exchange Act. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock is deemed to have notice of and consented to the foregoing provisions. These forum selection provisions in our ~~A & R~~ Bylaws may limit our stockholders' ability to obtain a favorable judicial forum for disputes with us, which may discourage such lawsuits against us. We cannot be certain as to whether a court would enforce these provisions, and if a court were to find the forum selection provisions contained in ~~A & R~~ Bylaws 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. Furthermore, investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. ~~29~~ Our Class A common stock may be delisted from Nasdaq if we do not maintain compliance with Nasdaq' s continued listing requirements. ~~If~~ **Delisting could affect the market price and liquidity of** our Class A common stock ~~is delisted, the market price and liquidity of our Class A common stock~~ and our ability to issue additional securities and raise additional capital would be adversely impacted ~~.~~ Continued listing of a security on Nasdaq is conditioned upon compliance with various continued listing standards. **If** ~~On March 13, 2023,~~ we **fall out** ~~received a notice from Nasdaq stating that, based on Nasdaq' s review~~ of **compliance with a** ~~our Market Value of Listed Securities (" MVLS ") for the last 38 consecutive business days, we no longer meet the minimum MVLS requirement of $ 50 million for~~ continued listing **standard** ~~of our Class A common stock on Nasdaq under Nasdaq Listing Rule 5450 (b) (2) (A). In accordance with Nasdaq Listing Rule 5810 (c) (3) (C)~~, ~~we have 180 calendar days, or until September 11, 2023, to regain compliance. To regain compliance, the MVLS for our shares of Class A common stock must be at least $ 50 million for a minimum of 10 consecutive business days at any time during this 180- day period. During this period, our Class A common stock will continue to trade uninterrupted on Nasdaq. If we do not regain compliance by September 11, 2023, Nasdaq will provide notice that our shares of Class A common stock are subject to delisting. In the event of such notification, the Nasdaq rules permit us an opportunity to appeal Nasdaq' s determination. There~~ **there** can be no assurance that we will be able to regain compliance with ~~the MVLS requirement or maintain compliance with the other~~ Nasdaq **' s** listing requirements. We intend to take all commercially reasonable actions to maintain our Nasdaq listing, including an evaluation of all reasonable alternatives. If our Class A common stock is delisted, the liquidity of our Class A common stock would be adversely affected and the market price of our Class A common stock could decrease. In addition, in the event of such delisting, we could experience a decreased ability to issue additional securities and raise additional capital in the future. ~~business.Our~~ quarterly operating results may fluctuate.We expect our operating results to be subject to quarterly fluctuations.Our net loss and other operating results will be affected by numerous factors,including:· variations in the level of expenses related to our development programs;· any intellectual property infringement lawsuit in which we may become involved;· regulatory developments affecting our products and related services;and · our execution of any collaborative,licensing or similar arrangements,and the timing of payments we may make or receive under these arrangements.If our quarterly operating results fall below the expectations of investors or securities analysts,the price of our Class A common stock could decline substantially.Furthermore,any quarterly fluctuations in our operating results may,in turn,cause the price of our Class A common stock to fluctuate substantially.Unfavorable securities industry reports could have a negative effect on our share price.Any trading market for our Class A common stock will be influenced in part by any research reports that securities industry analysts publish about us.Should one or more of such analysts downgrade our securities,or otherwise reports on us unfavorably,or discontinues coverage,the market price and market trading volume of our Class A common stock could be negatively affected.Our **A & R** Item 1B. Unresolved Staff Comments None. **Item 1C. Cybersecurity Cybersecurity Program Overview 29 As part of our overall risk management processes and procedures, we have instituted a cybersecurity program designed to identify, assess and manage material risks from cybersecurity threats. The cyber risk management program involves risk assessments, implementation of security measures and ongoing monitoring of systems and networks, including networks on which we rely. Through our cybersecurity program, the current threat landscape is actively monitored in an effort to identify material risks arising from new and evolving cybersecurity threats. We have implemented policies to ensure we can control and monitor all devices that may have access to our protected information. We may engage external experts, including cybersecurity assessors, consultants and auditors to evaluate cybersecurity measures and risk management processes as needed. Our risk management, legal, and compliance personnel oversee and identify material risks from cybersecurity threats associated with our use of such entities. Board Oversight of Cybersecurity Risks Our Board provides strategic oversight on cybersecurity matters, including material risks associated with cybersecurity threats. Our Board receives periodic updates from our Chief Legal Officer, President, and Director of Information Technology and more frequently as needed, regarding the overall state of our cybersecurity program, information on the current threat landscape, and material risks from cybersecurity threats and cybersecurity incidents. Management' s Role in Cybersecurity Risk Management Our management team, including our Chief Legal Officer, President, and Director of Information Technology is responsible for assessing and managing material risks from cybersecurity threats. Members of our management team possess relevant expertise in various disciplines that are key to effectively managing such risks, such as technology systems, technology leadership, technological development, cybersecurity, regulatory compliance and corporate governance. Our Director of Information Technology has over 10 years of experience in technology systems and cybersecurity and has the requisite training, skills, and experience to manage our cybersecurity risks. Our management team is informed about and monitors the prevention, detection, mitigation, and remediation of cybersecurity incidents, including through the receipt of notifications from third- party service providers and reliance on communications with our risk management, legal, and / or compliance personnel. Assessment of Cybersecurity Risk The potential impact of risks from cybersecurity threats are assessed on an ongoing basis, and how such risks could materially affect our business strategy, operational results, and financial condition are regularly evaluated. During the reporting period, we have not identified any risks from cybersecurity threats, including as a result of previous cybersecurity incidents, that we believe have materially affected, or are reasonably likely to materially affect, us, including our business strategy, operational results, and financial condition.**