Risk Factors Comparison 2024-03-04 to 2023-02-15 Form: 10-K

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Careful consideration should be given to the following risk factors, in addition to the other information set forth in this Annual Report on Form 10- K, including the section of titled " Management' s Discussion and Analysis of Financial Condition and Results of Operations " and our consolidated financial statements and related notes, and in other documents that we file with the SEC, in evaluating our company and our business. Investing in our securities involves a high degree of risk. If any of the events described in the following risk factors actually occur, our business, financial condition, results of operations and future growth prospects could be materially and adversely affected and the trading price of our securities could decline. Our actual results could differ materially from those anticipated in the forward- looking statements as a result of factors that are described below and elsewhere in this Annual Report on Form 10- K. Risks Related to Our Financial Condition and Capital Requirements We have a limited operating history on which to assess the prospects for our business, we have not generated any revenue from sales of the Vicarious Surgical System, and have incurred losses since inception. We anticipate that we will continue to incur significant losses for at least the next several years as we develop and commercialize the Vicarious Surgical System for use in ventral hernia repair procedures and future indications. Since inception, we have devoted substantially all of our financial resources to developing our surgical robot. We have financed our operations primarily through the issuance of equity securities. We have not generated revenue from the sale of the Vicarious Surgical System to date and have incurred significant losses. We **incurred a net loss of $ 71. 1 million and** generated net income of $ 5 ~~. 2 million and incurred a net loss of $ 35~~. 2 million for the years ended December 31, **2023 and** 2022 ~~and 2021~~, respectively. The amount of our future net losses will depend, in part, on future sales and on- going development of the Vicarious Surgical System, the rate of our future expenditures and our ability to obtain funding through the issuance of our securities, strategic collaborations or grants. We expect to continue to incur significant losses for at least the next several years as we commercialize the Vicarious Surgical System for use in ventral hernia repair procedures and seeks to develop and commercialize new surgical applications for the Vicarious Surgical System, such as gynecological, urological or other general surgical applications. We anticipate that our expenses will increase substantially if and as we: ● continue to build our sales, marketing and distribution infrastructure to commercialize our Vicarious Surgical System for use in ventral hernia repair procedures; ● continue to develop the Vicarious Surgical System; ● seek to identify, assess, acquire, license and / or develop other product candidates and technologies or components thereof and subsequent generations of our current product candidates and technologies; ● seek to maintain, protect and expand our intellectual property portfolio; ● seek to attract and retain skilled personnel; and ● support our operations as a public company. Our ability to generate future revenue from the Vicarious Surgical System sales depends heavily on our success in many areas, including but not limited to: ● launching and commercializing current and future uses for the Vicarious Surgical System, either directly or in conjunction with one or more collaborators or distributors; ● obtaining and maintaining regulatory authorization with respect to each application for the Vicarious Surgical System and maintaining regulatory compliance throughout relevant jurisdictions; ● maintaining clinical and economical value for end- users and customers in changing environments; ● addressing any competing technological and market developments; ● negotiating favorable terms in any collaboration, licensing or other arrangements into which we may enter; ● establishing and maintaining distribution relationships with third- parties that can provide adequate (in amount and quality) infrastructure to support market demand for the Vicarious Surgical System; and ● maintaining, protecting and expanding our portfolio of intellectual property rights, including patents, trade secrets and know- how. We have incurred significant losses since inception. As such, you cannot rely upon our historical operating performance to make an investment or voting decision regarding us. Since inception, we have engaged in research and development activities. We have financed our operations primarily through the issuance of equity securities. Our accumulated deficit as of December 31, ~~2022~~ **2023** was $ ~~61~~ **132** . ~~6~~ **7** million. We do not know whether or when we will become profitable. Our ability to generate revenue and achieve profitability depends upon our ability to accelerate the commercialization of the Vicarious Surgical System in line with the demand from new partnerships and our aggressive business strategy. We may be unable to achieve any or all of these goals. We may need to raise additional funding to develop and commercialize the Vicarious Surgical System and to expand our research and development efforts. This additional financing may not be available on acceptable terms, or at all. Failure to obtain this necessary capital when needed may force us to delay, limit or terminate our product commercialization or development efforts or other operations. Our operations have consumed substantial amounts of cash since inception. We expect to expend substantial additional amounts to commercialize the Vicarious Surgical System for use in ventral hernia repair procedures and to develop new surgical applications for the Vicarious Surgical System ~~. We expect to use the funds received in connection with the Business Combination to scale our operations, develop and commercialize the Vicarious Surgical System for use in ventral hernia repair procedures, develop new surgical applications for the Vicarious Surgical System, such as gynecological, urological or other general surgical applications, expand internationally, and for working capital and general corporate purposes~~. We will require additional capital to develop and commercialize the Vicarious Surgical System for abdominal surgeries and to develop the Vicarious Surgical System for new surgical applications. In addition, our operating plans may change as a result of many factors that may currently be unknown to us, and we may need to seek additional funds sooner than planned. We cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. Moreover, the terms of any future financing may adversely affect the holdings or the rights of our stockholders and the issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of our common stock to decline. The incurrence of indebtedness could result in increased fixed payment obligations, and we may be required to agree to

certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. We could also be required to seek funds through arrangements with collaborative partners or otherwise at an earlier stage than otherwise would be desirable, and we may be required to relinquish rights to some of our technologies or otherwise agree to terms that are unfavorable to us, any of which may have a material adverse effect on our business, operating results and prospects. In addition, raising additional capital through the issuance of equity or convertible debt securities would cause dilution to holders of our equity securities, and may affect the rights of then- existing holders of our equity securities. Even if we believe that we have sufficient funds for our current or future operating plans, we may seek additional capital if market conditions are favorable or if we have specific strategic considerations. Risks Related to Our Business and Operations We are a development stage company with a limited history of operations and no products with marketing authorization in any jurisdiction, and we cannot assure you that we will ever have a commercialized product. We are a development stage medical device company with a limited operating history, and we currently do not have any products authorized for commercialization in any country or jurisdiction or any source of revenue. We have been engaged in research and product development since our inception in 2014 and have invested all of our time and resources in developing our technology and the Vicarious Surgical System, which we intend to commercialize initially for use in ventral hernia repair procedures, followed by subsequent indications. The future success of our business will depend on our ability to obtain regulatory authorization to market our Vicarious Surgical System, drive adoption, successfully introduce new surgical applications for the Vicarious Surgical System, establish our sales force and distribution network, and control costs, all of which we may be unable to do. We have a limited history of operations upon which you can evaluate our business and our operating expenses are increasing. Our lack of a significant operating history also limits your ability to make a comparative evaluation of us, the Vicarious Surgical System and our prospects. If we do not successfully manage the development and launch of the Vicarious Surgical System, ~~we will not meet the long term forecasts we presented to D8 Holdings and~~ our business, operating and financial results and condition could be adversely affected. We aim to launch the Vicarious Surgical System initially for use in ventral hernia repair procedures, but to later expand the product to other abdominal surgical applications, including gynecological, urological and general surgery uses. We face risks associated with developing and launching the Vicarious Surgical System for the first indication specific use and other surgical applications. We are in the process of developing the Vicarious Surgical System, and will need to complete beta testing, verification and validation prior to filing de novo authorization with FDA. If we encounter development or manufacturing challenges or discovers errors during our development cycle, the launch dates of the initial and new surgical applications may be delayed, which will cause delays in our ability to achieve our forecasted results. The expenses or losses associated with unsuccessful product development or launch activities or lack of market acceptance of the Vicarious Surgical System could adversely affect our business or financial condition. The market for the Vicarious Surgical System and the use of robotic- assisted surgical technology is rapidly evolving, and increasingly competitive, as the healthcare industry is undergoing significant structural change, which makes it difficult to forecast demand for our product candidates and technologies. The market for the Vicarious Surgical System and the use of robotic- assisted surgical technology is rapidly evolving, and it is uncertain whether we will achieve and sustain high levels of demand and market adoption. Our future financial performance will depend in part on growth in this market and on our ability to adapt to the changing demands of customers. It is difficult to predict the future growth rate and size of our target market ~~. As a result, the addressable market projections provided to D8 Holdings for purposes of considering the Business Combination may not be achieved~~ . Negative publicity concerning the Vicarious Surgical System could limit market acceptance of the Vicarious Surgical System. If our customers do not perceive the benefits of the Vicarious Surgical System, when or if it is authorized for marketing, or if the Vicarious Surgical System does not attract new customers, then our market may not develop at all, or it may develop more slowly than we expect. Our success will depend to a substantial extent on the willingness of healthcare organizations to increase their use of our technology and our ability to demonstrate the value of our technology relative to competing products to existing and potential customers. If healthcare organizations do not recognize or acknowledge the benefits of the Vicarious Surgical System or if we are unable to reduce healthcare costs or drive positive health outcomes, then the market for our solutions might not develop at all, or it might develop more slowly than we expect. Because our markets are highly competitive, customers may choose to purchase our competitors' products or services or may not accept the Vicarious Surgical System for use in ventral hernia repair procedures, which would result in a reduced ability to generate future revenue. Robotic- assisted surgery using the Vicarious Surgical System is a technology that competes with established and emerging treatment options in both disease management and reconstructive medical procedures. These competitive treatment options include conventional open surgery and minimally invasive approaches. Some of these procedures are widely accepted in the medical community and, in many cases, have a long history of use. Studies could be published that show that other treatment options are more beneficial and / or cost- effective than robotic- assisted surgery. We cannot be certain that physicians will use our product candidates to replace or supplement established treatments or that our product candidates will be competitive with current or future technologies, when or if those product candidates are authorized for marketing. Additionally, we face or expect to face competition from companies that develop or have developed robotic- assisted surgical systems and products. Companies have introduced products in the field of robotic surgery or have made explicit statements about their efforts to enter the field including, but not limited to, the following companies: Intuitive Surgical, Inc.; Johnson & Johnson (including their wholly- owned subsidiaries Ethicon Endo- Surgery, Inc., Auris Health, Inc. and Verb Surgical Inc.); Medtronic plc (including their wholly- owned subsidiary Covidien LP); Virtual Incision Corporation; Titan Medical Inc.; CMR Surgical Ltd.; and Stryker Corporation. Other companies with substantial experience in industrial robotics could potentially expand into the field of surgical robotics and become competitors. Our ability to generate future revenue may be reduced due to pricing pressure if our competitors develop and market products that are more effective or less expensive than our future commercial product candidates. If we are unable to compete successfully, our ability

to generate future revenue will suffer, which could have a material adverse effect on our business, financial condition, result of operations, or cash flows. Our success depends upon market acceptance of the Vicarious Surgical System for use in ventral hernia repair procedures, our ability to develop and commercialize the Vicarious Surgical System for use in ventral hernia repair procedures and additional surgical applications and generate revenues, and our ability to identify new markets for our technology. We have developed and are engaged in the development of the Vicarious Surgical System initially for use in ventral hernia repair procedures. Achieving physician, patient, and third- party payor acceptance of robotic- assisted surgery as a preferred method of performing surgery is crucial to our success. Our success will depend on the acceptance of the Vicarious Surgical System in the United States and global health care markets, when or if it is authorized for marketing in those jurisdictions. We are faced with the risk that the marketplace will not be receptive to the Vicarious Surgical System over competing products, including traditional and existing robotic- assisted surgical procedures used in hospitals and ~~ambulatory surgical centers, or~~ ASCs, and that we will be unable to compete effectively. Factors that could affect our ability to successfully commercialize the Vicarious Surgical System for use in ventral hernia repair procedures and to commercialize any potential future product candidates and technologies include: ● challenges of developing or acquiring externally- developed technology solutions that are adequate and competitive in meeting the requirements of next- generation design challenges; and ● dependence upon hospitals, ASCs, surgeons and other healthcare practitioners' acceptance of the Vicarious Surgical System. Even if we can prove the safety and effectiveness of the Vicarious Surgical System and it receives marketing authorization, hospitals, ASCs, or surgeons may elect not to use it. In addition, hospitals, ASCs and surgeons may be slow to adopt the Vicarious Surgical System because of the perceived liability risks arising from the use of new products and the uncertainty of reimbursement from third- party payors, particularly in light of ongoing healthcare reform initiatives and the evolving healthcare environment. Broad use of the Vicarious Surgical System will require training of surgical teams. We expect that there will be a learning process involved for surgical teams to become proficient in the use of the Vicarious Surgical System. Market acceptance could be delayed due to the time required to complete this training. We may not be able to rapidly train surgical teams in numbers sufficient to generate adequate demand for our product candidates. We cannot assure investors that the Vicarious Surgical System or any future product candidates and technologies will gain broad market acceptance. If the market for the Vicarious Surgical System or any future product candidates and technologies fail to develop or develops more slowly than expected, or do not achieve or sustain market acceptance, our business and operating results would be materially and adversely affected. Surgeons, hospitals, ASCs and distributors may have existing relationships with other medical device companies that make it difficult for us to establish new relationships with them, and as a result, we may not be able to sell and market the Vicarious Surgical System effectively. We believe that to sell and market the Vicarious Surgical System effectively, when or if the product receives marketing authorization, we must establish relationships with key surgeons, hospitals and ASCs in the field of abdominal surgery. Many of these key surgeons, hospitals and ASCs already have long- standing relationships with large, well- known companies that dominate the medical device industry through collaborative research programs and other relationships. Because of these existing relationships, some of which may be contractually enforced, surgeons, hospitals and ASCs may be reluctant to adopt the Vicarious Surgical System, particularly if it competes with or has the potential to compete with products and technologies supported by these existing relationships or through their own collaborative research programs. Even if these surgeons, hospitals and ASCs purchase the Vicarious Surgical System, they may be unwilling to enter into collaborative relationships with us to promote joint marketing programs or to provide us with clinical and financial data. Any failure in our efforts to train surgeons, hospital or ASC staff could result in lower than expected product sales and potential liabilities. A critical component of our future sales and marketing efforts is the training of a sufficient number of surgeons and hospital staff to properly use the Vicarious Surgical System, when or if it is authorized for marketing. We rely on surgeons and hospital staff to devote adequate time to learn to use our future product candidates and technologies. Convincing surgeons, hospital and ASC staff to dedicate the time and resources necessary for adequate training in the use of the Vicarious Surgical System will be challenging, and we cannot assure you we will be successful in these efforts. If surgeons, hospital or ASC staff are not properly trained, they may misuse or ineffectively use the Vicarious Surgical System. If nurses or other members of the hospital or ASC staff are not adequately trained to assist in using the Vicarious Surgical System, surgeons may be unable to use the Vicarious Surgical System. Insufficient training may result in unsatisfactory patient outcomes, patient injury and related liability or negative publicity, which could have an adverse effect on our product sales or create substantial potential liabilities. Robotic- assisted surgical device development is costly and involves continual technological change, which may render the Vicarious Surgical System obsolete. The market for robotic- assisted surgical devices is characterized by rapid technological change, medical advances and evolving industry standards. Any one of these factors could reduce the demand for the Vicarious Surgical System, when or if it is authorized for marketing, or require substantial resources and expenditures for research, design and development to avoid technological or market obsolescence. Our success will depend on our ability to enhance our current technology, services and systems and develop or acquire and market new technologies to keep pace with technological developments and evolving industry standards, while responding to changes in customer needs. A failure to adequately develop or acquire device enhancements or new devices that will address changing technologies and customer requirements adequately, or to introduce such devices on a timely basis, may have a material adverse effect on our business, financial condition and results of operations. We might have insufficient financial resources to improve existing devices, advance technologies and develop new devices at competitive prices. Technological advances by one or more competitors or future entrants into the field may result in the Vicarious Surgical System becoming non- competitive or obsolete, which may decrease revenues and profits and adversely affect our business and results of operations. We may encounter significant competition across our existing and future planned product candidates and technologies and in each market in which we sell or plan to sell the Vicarious Surgical System from various companies, many of which have greater financial and marketing resources than us. Our primary competitors include Intuitive Surgical, Johnson & Johnson (including their wholly- owned subsidiaries Ethicon Endo- Surgery, Inc., Auris

Health, Inc. and Verb Surgical Inc.), and Medtronic, which are currently the top manufacturers of robotic- assisted surgical devices. In addition, our primary competitors, which are well- established medical device manufacturers with significant resources, may engage in aggressive marketing tactics. Competitors may also possess the ability to commercialize additional lines of products, bundle products or offer higher discounts and incentives to customers in order to gain a competitive advantage. If the prices of competing products are lowered as a result, we may not be able to compete effectively. We are highly dependent upon the continued contributions of our co- founder ~~,~~ **and** Chief Executive Officer ~~and President~~ , Adam Sachs, and our co- founder and Chief Technology Officer, Sammy Khalifa. The loss of their services could harm our business, and if we are unable to attract, recruit, train, retain, motivate and integrate key personnel, we may not achieve our goals. Our future success depends on our ability to attract, recruit, train, retain, motivate and integrate key personnel, including our co- founder ~~,~~ **and** Chief Executive Officer ~~and President~~ , Adam Sachs, and our co- founder and Chief Technology Officer, Sammy Khalifa, as well as our management team and our research and development, manufacturing, sales and marketing personnel. Our future business and results of operations depend in significant part upon the continued contributions of Messrs. Sachs and Khalifa. If we were to lose their services or if they fail to perform in their current positions, or if we are not able to attract and retain skilled employees in addition to Messrs. Sachs and Khalifa, this could adversely affect the development and implementation of our business plan and substantially harm our business. Competition for qualified personnel is intense. In addition, we rely upon technical and scientific employees or third- party contractors to effectively establish, manage and grow our business. Consequently, we believe that our future viability will depend largely on our ability to attract and retain highly skilled robotics engineers, artificial intelligence engineers, software engineers, hardware engineers and optical engineers, as well as other managerial, sales, scientific and technical personnel. In order to effectively recruit these personnel, we may need to pay higher compensation or fees to our employees or consultants than we currently expect, and such higher compensation payments may have a negative effect on our operating results. Competition for experienced, high- quality personnel is intense, and we cannot assure investors that we will be able to recruit and retain such personnel. Our growth depends, in particular, on attracting and retaining highly trained sales personnel with the necessary technical background and ability to understand the Vicarious Surgical System at a technical level to effectively identify and sell to potential new customers and develop new uses for the Vicarious Surgical System. Because of the technical and complex nature of the Vicarious Surgical System and the dynamic market in which we compete in, any failure to attract, recruit, train, retain, motivate and integrate qualified personnel could materially delay development of the Vicarious Surgical System and harm our operating results and growth prospects. We will need to expand our organization, and we may experience difficulties in recruiting needed additional employees and consultants, which could disrupt our operations. As our development and commercialization plans and strategies develop, we will need additional managerial, operational, sales, marketing, financial, legal and other resources. The competition for qualified personnel in the medical device industry is intense. Due to this intense competition, we may be unable to attract and retain the qualified personnel necessary for the development of our business or to recruit suitable replacement personnel. Our management may need to divert a disproportionate amount of our attention away from our day- to- day activities and devote a substantial amount of time to managing these growth activities. We may not be able to effectively manage the expansion of our operations, which may result in weaknesses in our infrastructure, operational mistakes, loss of business opportunities, loss of employees and reduced productivity among remaining employees. Our expected growth could require significant capital expenditures and may divert financial resources from other projects, such as the development of additional surgical applications for the Vicarious Surgical System. If our management is unable to effectively manage our growth, our expenses may increase more than expected, our ability to generate and / or grow revenue could be reduced and we may not be able to implement our business strategy. Our future financial performance and our ability to commercialize the Vicarious Surgical System and compete effectively will depend, in part, on our ability to effectively manage any future growth. We have no experience in marketing and selling the Vicarious Surgical System and if we are unable to successfully commercialize the Vicarious Surgical System, our business and operating results will be adversely affected. We have no experience marketing and selling the Vicarious Surgical System, should we receive marketing authorization from the FDA and other regulatory authorities. We currently intend to sell the Vicarious Surgical System to hospitals and ASCs. Future sales of the Vicarious Surgical System will depend in large part on our ability to effectively market and sell the Vicarious Surgical System, successfully manage and expand our sales force, and increase the scope of our marketing efforts. We may also enter into distribution arrangements in the future. Because we have limited experience in marketing and selling the Vicarious Surgical System, our ability to forecast demand, the infrastructure required to support such demand and the sales cycle to customers is unproven. If we do not build an efficient and effective marketing and sales force, our business and operating results will be adversely affected. We expect to generate **a** ~~an increasing~~ portion of our revenue internationally in the future and may become subject to various additional risks relating to our international activities, which could adversely affect our business, operating results and financial condition. We intend to generate revenues from international sources as we expand our sales and marketing opportunities internationally. We have limited experience operating internationally and engaging in international business involves a number of difficulties and risks, including: ● the challenges associated with building local brand awareness, obtaining local key opinion leader support and clinical support, implementing reimbursement strategies and building local marketing and sales teams; ● required compliance with foreign regulatory requirements and laws, including regulations and laws relating to patient data and medical devices; ● trade relations among the United States and those foreign countries in which our future customers, distributors, manufacturers and suppliers have operations, including protectionist measures such as tariffs and import or export licensing requirements, whether imposed by the United States or such foreign countries; ● difficulties and costs of staffing and managing foreign operations; ● difficulties protecting, procuring or enforcing intellectual property rights internationally; ● required compliance with anti- bribery laws, such as the U. S. Foreign Corrupt Practices Act, data privacy requirements, labor laws and anti- competition regulations; ● laws and business practices that may favor local companies; ● longer payment cycles and difficulties in enforcing agreements and

collecting receivables through certain foreign legal systems; ● political and economic instability and war or other military conflict, including the ongoing conflict occurring in Ukraine, which could have a material adverse impact on our sales in Europe and elsewhere; and ● potentially adverse tax consequences, tariffs, customs charges, bureaucratic requirements and other trade barriers. We dedicate significant resources to our international operations and are unable to manage these risks effectively, our business, operating results and financial condition may be adversely affected. If we experience decreasing prices for our product candidates and technologies and are unable to reduce our expenses, including the per unit cost of producing our product candidates and technologies, there may be a material adverse effect on our business, results of operations, financial condition and cash flows. We may experience decreasing prices for the Vicarious Surgical System upon regulatory authorization due to pricing pressure from managed care organizations and other third- party payors and suppliers, increased market power of our payors as the medical device industry consolidates, and increased competition among suppliers, including manufacturing services providers. If the prices for the Vicarious Surgical System decrease and we are unable to reduce our expenses, including the cost of sourcing materials, logistics and the cost to manufacture the Vicarious Surgical System, our business, results of operations, financial condition and cash flows may be adversely affected. To the extent that we engage in sales to large hospital networks, we may be subject to procurement discounts, which could have a negative impact on the prices of our product candidates and technologies. We may experience manufacturing problems or delays that could limit the growth of our revenue or increase our losses. We may encounter unforeseen situations that would result in delays or shortfalls in our production as well as delays or shortfalls caused by our outsourced manufacturing suppliers and by other third- party suppliers who manufacture components for the Vicarious Surgical System. The FDA has established comprehensive and prescriptive regulations for manufacturers of finished medical devices and device components, which require them to establish and maintain processes and procedures to adequately control device manufacturing operations and environmental conditions that could adversely affect product quality and impact patient safety. Clean room standards are an example of these requirements. The failure of us or our third- party component manufacturers or suppliers to comply with applicable standards and regulatory requirements could delay the production of the Vicarious Surgical System. We or our third- party component manufacturers or suppliers may encounter difficulties in scaling up or maintaining production relating to the Vicarious Surgical System, including: ● problems involving production yields; ● quality control and assurance; ● component or material supply shortages; ● import or export restrictions on components, materials or technology; ● shortages of qualified personnel; and ● compliance with state and federal regulations. If we are unable to keep up with demand for the Vicarious Surgical System, our future revenue could be impaired, market acceptance for the Vicarious Surgical System could be adversely affected and our customers might instead purchase our competitors' products. Our inability to successfully manufacture the Vicarious Surgical System would have a material adverse effect on our operating results. We rely on limited or sole suppliers for some of the materials and components used in the Vicarious Surgical System, and may not be able to find replacements or immediately transition to alternative suppliers, which could require us to redesign aspects of the Vicarious Surgical System and which would have a material adverse effect on our business, financial condition, results of operations and reputation. We rely on limited or sole suppliers for certain materials and components that are used in the Vicarious Surgical System. While we periodically forecast our needs for such materials and enters into standard purchase orders with them, we do not have long- term contracts with some of these suppliers. If we were to lose such suppliers, or if such suppliers were unable to fulfill our orders or to meet our manufacturing specifications, there can be no assurance that we will be able to identify or enter into agreements with alternative suppliers on a timely basis or on acceptable terms, if at all. Furthermore, if we are required to change the manufacturer of a key component of the Vicarious Surgical System, we would be required to verify that the new manufacturer maintains facilities and procedures that comply with quality standards and with all applicable regulations and guidelines, and we may be required to redesign aspects of the Vicarious Surgical System to accommodate the new component, which would result in significant delays and additional costs. An interruption in our operations could occur if we encounter delays or difficulties in redesigning the Vicarious Surgical System, or securing these materials and components, or if the quality of the materials and components supplied do not meet our requirements, or if we cannot then obtain an acceptable substitute. The time and effort required to redesign the Vicarious Surgical System, or to qualify a new supplier and ensure that the new materials and components provide the same or better quality results could result in significant additional costs. Any such interruption could significantly affect our business, financial condition, results of operations and reputation. While we believe that our supplies of components and materials are currently sufficient for us to continue the development of our product candidates and technologies without a disruption to our business, in the event that we must replace one of our suppliers, there can be no assurance that we can maintain this level of inventory in the future. Acquisitions, joint ventures or strategic alliances could disrupt our business, cause dilution to our stockholders and otherwise harm our business. We may acquire other businesses or product candidates and technologies, as well as pursue strategic alliances, joint ventures, technology licenses or investments in complementary businesses. We have not engaged in any of these strategic transactions to date, except for our Center of Excellence partners, and our ability to do so successfully is unproven. Any of these strategic transactions could be material to our financial condition and operating results and expose us to many risks, including: ● disruption in our relationships with customers, distributors, manufacturers or suppliers as a result of such a transaction; ● unanticipated liabilities related to acquired companies; ● difficulties integrating acquired personnel, technologies and operations into our existing business; ● diversion of management' s time and focus away from operating our business to acquisition integration challenges; ● increases in our expenses and reductions in our cash available for operations and other uses; and ● possible write- offs or impairment charges relating to acquired businesses. Foreign acquisitions involve unique risks in addition to those mentioned above, including those related to the integration of operations across different cultures and languages, currency risks and the particular economic, political and regulatory risks associated with specific countries. In addition, the anticipated benefit of any acquisition may not materialize. Future acquisitions or dispositions could result in potentially dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities or amortization

expenses or write- offs of goodwill, any of which could harm our financial condition. We cannot predict the number, timing or size of future joint ventures, strategic alliances or acquisitions, if any, or the effect that any such transactions might have on our operating results. If we do not successfully develop, optimize and operate our sales and distribution channels or we do not effectively expand and update infrastructure, our operating results and customer experience may be negatively impacted. If we do not adequately predict market demand or otherwise develop, optimize and operate our sales and distribution channels successfully, it could result in excess or insufficient inventory or fulfillment capacity, increased costs, or immediate shortages in product or component supply, or harm our business in other ways. In addition, if we do not maintain adequate infrastructure to enable us to, among other things, manage our purchasing and inventory, it could negatively impact our operating results. If we are unable to continue the development of an adequate sales and marketing organization and / or if our direct sales organization is not successful, we may have difficulty achieving market awareness and selling our product and technologies in the future. We must develop and grow our sales and marketing organization and enter into partnerships or other arrangements to market and sell our product candidates and technologies and / or collaborate with third parties, including distributors and others, to market and sell our product candidates and technologies to develop and maintain the commercial success of the Vicarious Surgical System, when or if we are authorized for marketing, and to achieve commercial success for any of our future product candidates and technologies. Developing and managing a direct sales organization is a difficult, expensive and time- consuming process. To develop our sales and marketing organization to successfully achieve market awareness and sell our product candidates and technologies after they receive appropriate marketing authorization, we must: ● continue to recruit and retain adequate numbers of effective and experienced sales and marketing personnel; ● effectively train our sales and marketing personnel in the benefits and risks of the Vicarious Surgical System; ● establish and maintain successful sales, marketing, training and education programs that educate health care professionals so they can appropriately inform their patients about the Vicarious Surgical System; ● manage geographically dispersed sales and marketing operations; and ● effectively train our sales and marketing personnel on the applicable fraud and abuse laws that govern interactions with health care practitioners as well as current and prospective patients and maintain active oversight and auditing measures to ensure continued compliance. We may not be able to successfully manage our sales force or increase our product sales at acceptable rates. If we are unable to establish and maintain adequate sales and marketing capabilities or enter into and maintain arrangements with third parties to sell and market the Vicarious Surgical System, our business may be harmed. We cannot guarantee that we will be able to establish and maintain an adequate volume of sales in the future. A substantial reduction in sales could have a material adverse effect on our operating performance. To the extent that we enter into additional arrangements with third parties to perform sales or marketing services in the United States, Europe or other countries, our product margins could be lower than if we directly marketed and sold the Vicarious Surgical System. To the extent that we enter into co- promotion or other marketing and sales arrangements with other companies, any revenue received will depend on the skills and efforts of others, and we cannot predict whether these efforts will be successful. In addition, the growth of market acceptance of the Vicarious Surgical System by healthcare practitioners outside of the United States will largely depend on our ability to continue to demonstrate the relative safety, effectiveness, reliability, cost- effectiveness and ease of use of the Vicarious Surgical System. If we are unable to do so, we may not be able to increase product revenue from our sales efforts in other countries. If we are unable to establish and maintain adequate sales, marketing and distribution capabilities, independently or with others, our future revenue may be reduced and our business may be harmed. Quality problems could lead to recalls or safety alerts and / or reputational harm and could have a material adverse effect on our business, results of operations, financial condition and cash flows. The quality of our product candidates and technologies and future commercial product candidates and technologies is very important to us and our customers due to the serious and costly consequences of product failure. Our success depends on the quality and reliability of the Vicarious Surgical System. Our business exposes us to potential product liability risks that are inherent in the design, manufacture, and marketing of medical devices. While we take measures to ensure that components, product candidates and technologies are manufactured to stringent quality specifications, The Vicarious Surgical System incorporates mechanical parts, electrical components, optical components, packaging and computer software, any of which may contain errors or exhibit failures, especially when the finished system is first introduced. In addition, new product candidates or modifications may contain undetected errors or performance problems that, despite testing, are discovered only after marketing authorization and commercial shipment. Because the Vicarious Surgical System is being designed to perform complex surgical procedures, due to the serious and costly consequences of product failure, we and our future customers have an increased sensitivity to such defects. Although the Vicarious Surgical System is subject to stringent quality processes and controls, we cannot provide assurance that our system will not experience component aging, errors, performance problems, manufacturing nonconformities, or design defects or that unexpected risks to users or patients will not be discovered during commercial use. If we experience product flaws or performance problems, any or all of the following could occur: ● delays in shipments; ● loss of revenue; ● delay in market acceptance; ● diversion of resources; ● damage to reputation; ● product recalls; ● regulatory actions; ● increased service or warranty costs; or ● product liability claims. Additionally, the manufacture and production of the Vicarious Surgical System requires a highly controlled and clean environment to minimize particles and other yield- and quality- limiting contaminants. Weaknesses in process control or minute impurities in materials may result in defective products. If we are not able to maintain stringent quality controls, or if contamination problems arise, we may experience delays in development and commercialization efforts and may be subject to regulatory enforcement actions, which would harm our business and results of operations. If we or our third- party component manufacturers or suppliers fail to meet any applicable product quality standards and the Vicarious Surgical System is the subject of recalls, safety alerts or other regulatory enforcement actions, our reputation could be damaged, we could lose customers, and our revenue and results of operations could decline. If we are not able to develop and release new surgical applications for the Vicarious Surgical System, or successful enhancements, new features and modifications to the Vicarious Surgical System or to achieve adequate clinical utility, our business, financial condition and results of operations could be adversely affected. The

markets in which we operate are characterized by rapid technological change, frequent new product and service introductions and enhancements, changing customer demands, and evolving industry standards. The introduction of products embodying new technologies can quickly make existing products obsolete and unmarketable. Additionally, changes in laws and regulations could impact the usefulness of the Vicarious Surgical System and could necessitate changes or modifications to the Vicarious Surgical System to accommodate such changes. We invest substantial resources in researching and developing new developments to the Vicarious Surgical System and enhancing the Vicarious Surgical System by incorporating additional features, improving functionality, and adding other improvements to meet customers' evolving needs. The success of any enhancements, improvements or any new features to the Vicarious Surgical System, when or if authorized for marketing by the FDA, depends on several factors, including timely completion, competitive pricing, adequate quality testing, integration with new and existing technologies and third- party partners' technologies and overall market acceptance. We may not succeed in developing, marketing and delivering on a timely and cost- effective basis enhancements or improvements to the Vicarious Surgical System or any new product candidates and technologies that respond to continued changes in market demands or new customer requirements, and any enhancements or improvements to the Vicarious Surgical System or any new solutions may not achieve market acceptance or authorization. Since developing the Vicarious Surgical System is complex, the timetable for the release of new enhancements is difficult to predict, and we may not offer new updates as rapidly as our customers require or expect. Any new product candidates and technologies that we develop may not be introduced in a timely or cost- effective manner, may contain errors or defects, or may not achieve the broad market acceptance necessary to generate sufficient revenue. Moreover, even if we introduce new product candidates and technologies, we may experience a decline in revenue from the Vicarious Surgical System that is not offset by revenue from the new product candidates and technologies. For example, customers may delay making purchases of new product candidates and technologies to permit them to make a more thorough evaluation of these product candidates and technologies or until industry and marketplace reviews become widely available. Customers may also delay purchasing a new product because their existing Vicarious Surgical System or other devices continues to meet their needs. Some customers may hesitate to migrate to a new product due to concerns regarding the performance of the new product. In addition, we may lose existing customers who choose a competitor' s products. This could result in a temporary or permanent revenue shortfall and adversely affect our business, financial condition and results of operations. The introduction of new products and solutions by competitors, the development of entirely new technologies to replace existing offerings or shifts in healthcare benefits trends could make our future commercial products and technologies obsolete or adversely affect our business, financial condition and results of operations. We may experience difficulties with industry standards, design or marketing that could delay or prevent our development, introduction or implementation of new product candidates and technologies, enhancements, additional features or capabilities. If customers do not widely purchase and adopt our future product candidates and technologies, we may not be able to realize a return on our investment. If we do not accurately anticipate customer demand or if we are unable to develop, license or acquire new features and capabilities on a timely and cost- effective basis, or if such enhancements do not achieve market acceptance, it could result in adverse publicity, loss of revenue or market acceptance or claims by customers brought against us, each of which could have a material and adverse effect on our reputation, business, results of operations and financial condition. ~~The COVID- 19 pandemic has and could continue to negatively affect various aspects of our business, which could have a material adverse effect on our business, financial condition, results of operations, or cash flows. Any outbreak of contagious diseases, or other adverse public health developments, could have a material adverse effect on our business operations. These impacts to our operations have included, and could again in the future include, disruptions or restrictions on the ability of our employees' and customers' to travel or the ability of us to pursue collaborations and other business transactions, oversee the activities of our third- party manufacturers and suppliers and make shipments of materials. We may also be impacted by the temporary closure of the facilities of suppliers, manufacturers or customers. The COVID- 19 pandemic may also continue to have an impact on potential customers, as elective surgeries are increasingly postponed and there is greater focus on areas of care with lower profitability, leading, as a consequence, to lower expenditures on new products and devices by health care institutions. In addition, travel restrictions and business closures have and may in the future adversely impact our operations locally and worldwide, including our ability to manufacture, market, sell or distribute the Vicarious Surgical System, when or if we are authorized by the FDA or other regulatory authorities for marketing, and such restrictions and closure have caused or may cause temporary closures of facilities of suppliers, manufacturers or customers. Any disruption in the operations of our employees, suppliers, customers, manufacturers or access to customers would likely impact our future sales and operating results. In addition, travel restrictions could make it more difficult for us to monitor the quality of our third- party manufacturing operations if we are unable to conduct in- person quality audits of those facilities. The extent to which COVID- 19 affects our operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the outbreak, new information that may emerge concerning the severity of COVID- 19 and the actions to contain COVID- 19 or treat its impact, among others, which could have an adverse effect on our business and financial condition.~~ Unfavorable global economic conditions could adversely affect our business, financial condition or results of operations. Our results of operations could be adversely affected by general conditions in the global economy and in the global financial markets, including changes in inflation, interest rates and overall economic conditions and uncertainties. To the extent inflation or other factors increase our business costs, it may not be feasible to offset higher costs through manufacturing efficiencies. An economic downturn could result in a variety of risks to our business, including weakened demand for our future product candidates and technologies and our inability to raise additional capital when needed on acceptable terms, if at all. A weak or declining economy could also result in further constraints on our third- party component manufacturers and suppliers or cause future customers to delay making payments for our product candidates and technologies. Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the current economic climate and financial market conditions could adversely affect our

business. Geopolitical conflicts could potentially affect our sales and disrupt our operations and could have a material adverse impact on **us** ~~the Company~~ . Geopolitical conflicts, including the ongoing ~~war~~ **wars** in Ukraine **and Israel** , could adversely impact our operations or those of our suppliers, manufacturers or customers. The extent to which these events impact our operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence. If the uncertainty surrounding geopolitical conflicts and in the global marketplace continues, or if we, or any of our suppliers, manufacturers or customers encounter any disruptions to our or their respective operations or facilities, then we or they may be prevented or delayed from effectively operating our or their business, respectively, and the marketing and sale of our product candidates and our financial results could be adversely affected. The requirements of being a public company may strain our resources and divert management' s attention, which could adversely affect our business, results of operations, and financial condition. We have incurred and will continue to incur significant legal, accounting and other expenses that we did not incur as a private company, including costs associated with public company reporting requirements. We will also continue to incur costs associated with corporate governance requirements, including requirements under the Sarbanes- Oxley Act, as well as rules implemented by the SEC and the NYSE. We expect that the requirements of these rules and regulations will continue to increase our legal, accounting, and financial compliance costs, make some activities more difficult, time- consuming, and costly, and place significant strain on our personnel, systems, and resources. For example, our management team will need to devote substantial time regarding operations as a public company and compliance with applicable laws and regulations. As a result of the complexity involved in complying with the rules and regulations applicable to public companies, our management' s attention may be diverted from other business concerns, which could harm our business, results of operations, and financial condition. **Our failure to maintain compliance with the NYSE' s continued listing requirements could result in the delisting of our Class A common stock. Our Class A common stock is listed on the New York Stock Exchange (the " NYSE "). In order to maintain this listing, we must satisfy minimum financial and other requirements. On September 20, 2023, we received notice from the NYSE that the average per share trading price of our Class A common stock was below the NYSE' s continued listing standard rule relating to minimum average share price. Rule 802. 01C of the NYSE' s Listed Company Manual requires that a company' s common stock trade at a minimum average closing price of $ 1. 00 over a consecutive 30 trading- day period. Pursuant to Section 802. 01C, we have a period of six months following the receipt of the notice to regain compliance with the minimum share price requirement. In accordance with the NYSE' s rules, we notified the NYSE within 10 business days of our intent to cure the deficiency, which may include effecting a reverse stock split, subject to approval by our Board of Directors and stockholders. We may regain compliance with the minimum share price requirement at any time during the cure period if, on the last trading day of any calendar month during the cure period, or on the last day of the cure period, our Class A common stock has (i) a closing share price of at least $ 1. 00, and (ii) an average closing share price of at least $ 1. 00 over the 30 trading- day period ending on the last trading day of that month or on the last day of the cure period, as applicable. The Notice has no immediate impact on the listing of our Class A common stock, which will continue to be listed and traded on the NYSE during this period, subject to our compliance with the other continued listing requirements of the NYSE. Failure to satisfy the conditions of the cure period or to maintain other listing requirements could lead to delisting. The perception among investors that we are at a heightened risk of delisting could negatively affect the market price and trading volume of our Class A common stock. If our Class A common stock is delisted from the NYSE, the delisting could: substantially decrease trading in our Class A common stock; adversely affect the market liquidity of our Class A common stock as a result of the loss of market efficiencies associated with the NYSE and the loss of federal preemption of state securities laws; adversely affect our ability to issue additional securities or obtain additional financing in the future on acceptable terms, if at all; result in the potential loss of confidence by investors, suppliers, partners and employees and fewer business development opportunities; and result in limited news and analyst coverage. Additionally, the market price of our Class A common stock may decline further, and stockholders may lose some or all of their investment.** We have identified a material weakness in our internal control over financial reporting. If we are unable to successfully remediate this material weakness in our internal control over financial reporting, we may not be able to report our financial condition or results of operations accurately or in a timely manner, which may adversely affect investor confidence in us and, as a result, materially and adversely affect our business and the value of our Class A common stock. We have identified material weaknesses in our internal control over financial reporting for the years ended December 31, **2023, and** 2022 ~~, and 2021~~ . The material weaknesses we identified were as follows: ● we did not maintain an effective control environment as we did not maintain a sufficient complement of accounting and financial reporting resources commensurate with our financial reporting requirements. ● we did not maintain an effective risk assessment process, which led to improperly designed controls. ● we did not maintain appropriate control activities to support the appropriate segregation of duties over the review of account reconciliations and manual journal entries, and safeguarding of assets. ● we did not design and implement controls related to information technology, including access and change management. ● we did not document, thoroughly communicate and monitor controls processes and relevant accounting policies and procedures. These material weaknesses could result in a misstatement of account balances or disclosures that would result in a material misstatement to our annual or interim financial statements that would not be prevented or detected. Had we performed an evaluation of our internal control over financial reporting in accordance with Section 404, additional control deficiencies may have been identified by management, and those control deficiencies could have also represented one or more material weaknesses. ~~In an effort~~ **While we have taken steps** to remediate the material weaknesses, we ~~have retained an accounting consulting firm to provide additional depth and breadth in our technical accounting and financial reporting capabilities. We have also hired additional qualified accounting and finance personnel to provide needed levels of expertise in our internal accounting function and maintain appropriate segregation of duties. We intend to complete an appropriate risk assessment to identify relevant risks and specify needed objectives. We intend to formalize and communicate our policies and~~

~~procedures surrounding our financial close, financial reporting and other accounting processes. We intend to further develop and document necessary policies and procedures regarding our internal control over financial reporting, such that we are able to perform a Section 404 analysis of our internal control over financial reporting when and as required. We~~ cannot assure you that these measures will significantly improve or remediate the material weaknesses described above. We also cannot assure you that we have identified all or that we will not have additional material weaknesses in the future. Accordingly, a material weakness may still exist when we report on the effectiveness of our internal control over financial reporting for purposes of our attestation when required by reporting requirements under the Exchange Act or Section 404 ~~after~~ **of** the ~~Merger~~ **Sarbanes- Oxley Act** . Further, while we remain an emerging growth company, we will not be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. We expect to incur additional costs to remediate these control deficiencies, though there can be no assurance that our efforts will be successful or avoid potential future material weaknesses. If we are unable to successfully remediate our existing or any future material weaknesses in our internal control over financial reporting, or if we identify any additional material weaknesses, the accuracy and timing of our financial reporting may be adversely affected, we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports in addition to applicable stock exchange listing requirements, investors may lose confidence in our financial reporting, and our stock price may decline as a result. We also could become subject to investigations by NYSE, the SEC or other regulatory authorities. Our ability to use net operating losses to offset future income may be subject to certain limitations. As of December 31, ~~2022~~ **2023** , we had federal net operating loss carry forwards (" NOLs ") to offset future taxable income of approximately $ ~~103~~ **128** . ~~2~~ **8** million, of which approximately $ 2. 8 million will expire at various dates from 2034 through ~~December 31,~~ 2037, if not utilized. A lack of future taxable income would adversely affect our ability to utilize these NOLs. In addition, under Section 382 of the **Internal Revenue** Code **of 1986, as amended (the " Code ")** , a corporation that undergoes an " ownership change " is subject to limitations on its ability to utilize its pre- change NOLs and other pre- change tax attributes (such as research tax credits) to offset post- change taxable income. For these purposes, an ownership change generally occurs where the equity ownership of one or more stockholders or groups of stockholders who owns at least 5 % of a corporation' s stock increases its ownership by more than 50 percentage points over its lowest ownership percentage within a three- year period (calculated on a rolling basis). Our existing NOLs may be subject to limitations arising out of previous ownership changes and we may be limited as to the amount that can be utilized each year as a result of such previous ownership changes. In addition, future changes in our stock ownership, including future offerings, as well as other changes that may be outside of our control, could result in additional ownership changes under Section 382 of the Code. Our NOLs may also be impaired under similar provisions of state law. We have not conducted a study to assess whether an ownership change has occurred, whether there have been multiple ownership changes since inception or whether there has been an ownership change as the result of the Business Combination due to the significant complexity and costs associated with such a study. We have recorded a full valuation allowance related to our NOLs and other deferred tax assets due to the uncertainty of the ultimate realization of the future benefits of those assets. In addition to the limitations discussed above under Sections 382 of the Code, the utilization of NOLs incurred in taxable years beginning after December 31, 2017, are subject to limitations, as modified by the Coronavirus Aid, Relief, and Economic Security Act **(** ~~, or~~ the **"** CARES Act **")** . In general, NOLs generated in taxable years beginning after December 31, 2017 may offset no more than 80 percent of such year' s taxable income and there is no ability for such NOLs to be carried back to a prior taxable year. The CARES Act modifies this limitation on the deduction of NOLs and provides that NOLs arising in taxable years beginning after December 31, 2017 and before January 1, 2021, may be carried back to each of the five taxable years preceding the tax year of such loss, but NOLs arising in taxable years beginning after December 31, 2020 may not be carried back. In addition, the CARES Act eliminates the limitation on the deduction of NOLs to 80 percent of current year taxable income for taxable years beginning before January 1, 2021. As a result of such limitation, we may be required to pay federal income tax in some future year notwithstanding that we have a net loss for all years in the aggregate. Changes in our effective tax rate or disallowance of our tax positions may adversely affect our financial position and results of operations. We are subject to income and other taxes in the United States and foreign jurisdictions. The amount of income taxes we pay is subject to our interpretation and application of tax laws in jurisdictions in which we file. Changes in current or future laws or regulations, the imposition of new or changed tax laws or regulations or new interpretations by taxing authorities or courts could affect our results of operations and lead to volatility with respect to tax expenses and liabilities from period to period. For example, limitations on the ability of taxpayers to claim and utilize foreign tax credits and the deferral of certain tax deductions until earnings outside of the United States are repatriated to the United States could impact the tax treatment of future foreign earnings. In addition, on August 16, 2022, the U. S. government enacted the Inflation Reduction Act of 2022 **(** ~~, or~~ the **"** Inflation Reduction Act **")** , into law, which includes a new corporate alternative minimum tax beginning in fiscal 2024 and an excise tax of 1 % tax on the fair market value of net stock repurchases made after December 31, 2022. We are evaluating the potential impact the Inflation Reduction Act may have on our financial position and results of operations. We could be adversely affected by violations of the U. S. Foreign Corrupt Practices Act and other worldwide anti- bribery laws by us or our agents. We are subject to the U. S. Foreign Corrupt Practices Act **(" ,** ~~or the~~ FCPA **")** , which prohibits companies and their intermediaries from making payments in violation of law to non- U. S. government officials for the purpose of obtaining or retaining business or securing any other improper advantage. Our possible future reliance on independent distributors or strategic partners to sell the Vicarious Surgical System internationally demands a high degree of vigilance in enforcing our policy against participation in corrupt activity, because these distributors or strategic partners could be deemed to be our agents, and we could be held responsible for their actions. Other U. S. companies in the medical device and pharmaceutical fields have faced criminal penalties under the FCPA for allowing their agents to deviate from appropriate practices in doing business with such non- U. S. government officials. We are also subject to similar anti- bribery laws in the jurisdictions in which we plan to operate, including the United Kingdom' s Bribery Act of 2010, which also prohibits

commercial bribery and makes it a crime for companies to fail to prevent bribery. We have limited experience in complying with these laws and in developing procedures to monitor compliance with these laws by our agents. These laws are complex and far-reaching in nature, and, as a result, we cannot assure investors that we would not be required in the future to alter one or more of our practices to be in compliance with these laws or any changes in these laws or the interpretation thereof. Any violations of these laws, or allegations of such violations, could disrupt our operations, involve significant management distraction, involve significant costs and expenses, including legal fees, and could result in a material adverse effect on our business, prospects, financial condition, or results of operations. We could also incur severe penalties, including criminal and civil penalties, disgorgement, and other remedial measures. Risks Related to Health Care Industry Shifts and Changing Regulations We are subject to extensive government regulation, which could restrict the development, marketing, sale and distribution of our product candidates and technologies and could cause us to incur significant costs. We and the Vicarious Surgical System are subject to extensive pre- market and post- market regulation by the FDA and various other federal, state, local and foreign government authorities. Government regulation of medical devices is meant to assure their safety and effectiveness, and includes requirements for, among other things: ● design, development and manufacturing processes; ● labeling, content and language of instructions for use and storage; ● product testing, pre- clinical studies and clinical trials (if applicable); ● regulatory authorization, including but not limited to pre- market clearance or pre- market approval; ● establishment registration, device listing and ongoing compliance with the QSR requirements; ● advertising and promotion; ● marketing, sales and distribution; ● conformity assessment procedures; ● product traceability and record- keeping procedures; ● review of product complaints, complaint reporting, recalls and field safety corrective actions; ● post- market surveillance, including reporting of deaths or serious injuries and malfunctions that, if they were to recur, could lead to death or serious injury; ● post- market studies (if applicable); and ● product import and export. The laws and regulations to which we and our product candidates, technologies and future commercial product candidates will be subject are complex and subject to periodic changes. Regulatory changes could result in restrictions on our ability to carry on or expand our operations, and may result in higher than anticipated costs or lower than anticipated sales. Before a new medical device, or a significant modification of a medical device, including a new use of, or claim for, an existing product, can be marketed in the United States, it must first receive either 510 (k) clearance, de novo authorization, or ~~premarket approval (“~~ PMA ~~”)~~ from the FDA, unless an exemption applies. In the 510 (k) clearance process, the FDA must determine that a proposed device is “ substantially equivalent ” to a device legally on the market, known as a “ predicate ” device, with respect to intended use, technology and safety and effectiveness, in order to clear the proposed device for marketing. Clinical data is sometimes required to support substantial equivalence. Obtaining marketing authorization for Class II or III medical devices through the 510 (k) premarket notification process, the PMA process, or the de novo classification process can be expensive and time- consuming, and entails significant user fees to the FDA, unless an exemption is available. The FDA’ s review of premarket notifications for 510 (k) clearance usually takes 90 to 180 days and review of de novo classification applications usually takes 120 to 280 days, but both review processes can last longer. In addition, after a device is cleared or authorized under a reclassification order, any modification that could significantly affect the device’ s safety or effectiveness, or that would constitute a major change in its intended use, will require a new clearance, or possibly another de novo authorization or a PMA, depending on the extent of the modification and the associated risks. The de novo classification process allows a manufacturer whose novel device is automatically classified into Class III to request down- classification of its device to Class I or Class II, on the basis that the device presents low or moderate risk, as an alternative to following the typical Class III device pathway requiring the submission and approval of a PMA application. Under the Food and Drug Administration Safety and Innovation Act of 2012, the FDA is required to classify a device within 120 days following receipt of the de novo classification request from an applicant; however, the most recent FDA premarket review goals state that in fiscal year 2023, FDA will attempt to issue a decision within 150 days of receipt on of all de novo classification requests received during the year. If the manufacturer seeks reclassification into Class II, the classification request must include a draft proposal for special controls that are necessary to provide a reasonable assurance of the safety and effectiveness of the medical device. The FDA may reject the classification request if it identifies a legally marketed predicate device that would be appropriate for a 510 (k) notification or determines that the device is not low to moderate risk or that general controls would be inadequate to control the risks and special controls cannot be developed. De novo classification requests are subject to user fees, unless a specific exemption applies. In the PMA approval process, the FDA must determine that a proposed device is safe and effective for its intended use based, in part, on extensive data, including but not limited to, technical, pre- clinical, clinical trial, manufacturing and labeling data. The process for obtaining a PMA is more costly and uncertain and approval can take anywhere from 180 days to, in some cases, more than one year from the time the application is initially filed with the FDA. Modifications to devices that are approved through a PMA application generally require FDA approval of a supplemental PMA application. The Vicarious Surgical System and some of our future product candidates and technologies may require PMA approval. In addition, the FDA may require that we obtain a PMA prior to marketing future changes of the Vicarious Surgical System. Further, we may not be able to obtain additional 510 (k) clearances, de novo authorizations, or PMAs for new product candidates and technologies or for modifications to, or additional indications for, the Vicarious Surgical System in a timely fashion or at all. Delays in obtaining future clearances, authorizations, or approvals could adversely affect our ability to introduce new or enhanced product candidates and technologies in a timely manner, which in turn could harm our revenue and future profitability. In order to conduct a clinical investigation involving human subjects for the purpose of demonstrating the safety and effectiveness of a medical device, if necessary, for a PMA application, 510 (k) premarket notification or de novo classification request, a company must, among other things, apply for and obtain institutional review board (**“** IRB **”**) approval of the proposed investigation. In addition, if the clinical study involves a “ significant risk ” (as defined by the FDA) to human health, the sponsor of the investigation must also submit and obtain FDA approval of an investigational device exemption (**“** IDE **”**) application and follow applicable IDE regulations. Unless IDE- exempt, nonsignificant risk devices are still subject to

certain abbreviated IDE requirements; however, an IDE application is not required if such abbreviated requirements are met. We may not be able to obtain any necessary FDA and / or IRB approval to undertake clinical trials in the United States for future devices we develop and intend to market in the United States. If we do obtain such approvals, the FDA may find that our studies do not comply with the IDE or other regulations governing clinical investigations or the data from any such trials may not support marketing authorization of the investigational device. Moreover, certainty that clinical trials will meet desired endpoints, produce meaningful or useful data and be free of unexpected adverse effects, or that the FDA will accept the validity of foreign clinical study data (if applicable) cannot be assured, and such uncertainty could preclude or delay marketing authorization resulting in significant financial costs and reduced revenue. To ensure compliance with regulatory requirements, medical device manufacturers are subject to post- market surveillance and periodic, pre- scheduled and unannounced inspections by the FDA or other regulatory authorities, and these inspections may include the manufacturing facilities of our subcontractors. We, as well as our third- party manufacturers or suppliers that are regulated by the FDA, is also subject to numerous post- marketing regulatory requirements, which include quality system regulations related to the manufacture of the Vicarious Surgical System, labeling regulations and MDR regulations. The last of these regulations requires us to report to the FDA if our commercial devices cause or contribute to a death or serious injury, or malfunction in a way that would likely cause or contribute to a death or serious injury if the malfunction recurred. The failure to comply with applicable regulatory requirements can result in enforcement actions by the FDA, which may include any of the following sanctions: ● untitled letters, warning letters, fines, injunctions, consent decrees and civil penalties; ● customer notifications, or orders for repair, replacement or refunds; ● voluntary or mandatory recalls, detentions or seizures of product candidates; ● operating restrictions, including total or partial suspension of production; ● delays in the introduction of product candidates into the market; ● delay or refusal of for the FDA to grant 510 (k) clearances, PMA approvals or de novo classification orders for new product candidates or new intended uses or modifications to authorized products; ● rescission of 510 (k) clearance, de novo authorizations, or suspension or withdrawal of PMAs that have already been granted; or ● in the most serious cases, criminal prosecution. The occurrence of any of these events may have a material adverse effect on our business, financial condition and results of operations. There is no guarantee that the FDA will grant marketing authorization for the Vicarious Surgical System or any of our future product candidates and technologies, and failure to obtain necessary marketing authorization for the Vicarious Surgical System and our future product candidates and technologies would adversely affect our ability to grow our business. The Vicarious Surgical System and our new or modified product candidates and technologies will require FDA marketing authorization before they may be marketed in the United States. The FDA may refuse our requests for pre- market review of new product candidates and technologies or may not grant marketing authorization for these product candidates and technologies for the indications that are necessary or desirable for successful commercialization. Early stage review may also result in delays or other issues. For example, the FDA has issued guidance intended to explain the procedures and criteria used in assessing whether pre- market review submissions may be accepted for substantive review. Under the " Refuse to Accept " guidance, the FDA conducts an early review against specific acceptance criteria to notify applicants whether a pre- market submission for a device is administratively complete, and if not, such notification will identify the missing element (s). Applicants are given the opportunity to provide the FDA with any information identified as missing. If the information is not provided within a specified time, the submission will not be accepted for FDA review and will be considered abandoned. The FDA may also change its marketing authorization policies, adopt additional regulations or revise existing regulations, or take other actions that may prevent or delay authorization of our product candidates and technologies under development or impact our ability to obtain marketing authorization for modifications to our authorized products in a timely manner. Significant delays in receiving or failure to receive FDA marketing authorization for our new product candidates and technologies would have an adverse effect on our ability to expand our business. Unsuccessful animal studies, clinical trials or procedures relating to product candidates and technologies under development could have a material adverse effect on our prospects. The regulatory clearance, authorization, or approval process for new device product candidates, technologies and new indications for existing device product candidates and technologies requires extensive data and procedures, including the development of regulatory and quality standards and, potentially, studies involving animals or human subjects. Based on pre- submission communications with the FDA, we intend to file a de novo classification request for the Vicarious Surgical System with respect to use in ventral hernia procedures, which would require human clinical studies to ensure that the product candidate is safe and effective. Unfavorable or inconsistent data from future animal studies, clinical trials or other studies conducted by us or third parties, or perceptions regarding such data, could adversely affect our ability to obtain necessary device regulatory authorization and the market' s view of our future prospects. Failure to successfully complete any required studies in a timely and cost- effective manner could have a material adverse effect on our prospects with respect to the Vicarious Surgical System or other product candidates and technologies. Because animal studies, clinical trials and other types of scientific studies are inherently uncertain, there can be no assurance that these trials or studies will be completed in a timely or cost- effective manner, be suitable to support marketing authorization or result in a commercially viable product. Clinical trials or other studies may experience significant setbacks even if earlier preclinical or animal studies have shown promising results. Furthermore, preliminary results from animal studies or clinical trials may be contradicted by subsequent clinical analysis. Results from animal studies or clinical trials may also not be supported by actual long- term studies or clinical experience. If preliminary study results are later contradicted, or if initial results cannot be supported by actual long- term studies or clinical experience, our business could be adversely affected. Clinical trials also may be suspended or terminated by us, the FDA, the responsible IRB or other regulatory authorities at any time if it is believed that the trial participants face unacceptable health risks. The FDA may disagree with our interpretation of the data from the animal studies or clinical trials, or may find the design, conduct or results of such studies or trials inadequate to demonstrate safety and effectiveness of the product candidate. The FDA may also require additional pre- clinical studies or clinical trials for use in ventral hernia procedures or other indications, which could further delay authorization of our product candidates and technologies. Recent initiatives by the

FDA to enhance and modernize various regulatory pathways for device products and technologies and its overall approach to safety and innovation in the medical technology industry creates the possibility of changing product development costs, requirements, and other factors and additional uncertainty for our product candidates, technologies and business. Regulatory requirements may change in the future in a way that adversely affects us. Any change in the laws or regulations that govern pre-market authorization processes or the post- market compliance requirements relating to our current and future product candidates could make it more difficult and costly to obtain marketing authorization for new product candidates, or to produce, market and distribute existing product candidates that receive such authorization. For example, the FDA and other government agencies have been focusing on the cybersecurity risks associated with certain medical devices and encouraging device manufacturers to take a more proactive approach to assessing the cybersecurity risks of their devices both during development and on a periodic basis after the devices are in commercial distribution. These regulatory efforts could lead to new FDA requirements in the future or additional product liability or other litigation risks if the Vicarious Surgical System is considered to be susceptible to third-party tampering. In December 2016, Congress passed the 21st Century Cures Act, which made multiple changes to the FDA' s rules for medical devices as well as for clinical trials, and in September 2022, Congress passed the most recent iteration of the five- year medical device user fee reauthorization package. In recent years, the FDA has announced a series of efforts to modernize and streamline the 510 (k) notification and regulatory review process and monitoring post- market safety, and issued a final rule to formalize the de novo classification process to provide clarity to innovative device developers. Changes in the FDA 510 (k) process could make clearance more difficult to obtain, increase delay, add uncertainty and have other significant adverse effects on our ability to obtain and maintain clearance for our product candidates. It is unclear at this time whether and how various activities initiated or announced by the FDA to modernize the U. S. medical device regulatory system could affect our business, as some of the FDA' s new medical device safety and innovation initiatives have not been formalized and remain subject to change. For example, a 2018 Medical Device Safety Action Plan included a particular focus on post- market surveillance and how to respond when new safety concerns emerge once a product is on the market. The increased attention that the medical technology industry is receiving from regulators, lawmakers, and other stakeholders creates the possibility of unanticipated regulatory and other potential changes to the Vicarious Surgical System and our overall business. If we fail to obtain regulatory authorizations in other countries for existing or future product candidates, we will not be able to commercialize these product candidates and technologies in those countries. In order for us to market the Vicarious Surgical System in countries outside of the United States, we must comply with extensive safety and quality regulations in other countries regarding the quality, safety and efficacy of the Vicarious Surgical System. These regulations, such as the requirements for obtaining marketing authorization, including CE mark grant in the European Union, as well as regulatory authorization in the Asia- Pacific region and the time required for regulatory review, vary from country to country. Failure to obtain marketing authorization in any foreign country in which we plan to market the Vicarious Surgical System may harm our ability to generate revenue and harm our business. Marketing authorization requirements and processes vary between countries and can involve additional product testing and additional administrative review periods. The time required to obtain marketing authorization in other countries might differ from that required to obtain FDA authorization. The pre- market review and authorization process in other countries may include all of the risks detailed above regarding FDA clearance, authorization, and approval in the United States, as well as other potential risks relating to delays, refusals, or uncertainties in the application preparation, submission, and review procedures specific to the regulatory processes in such countries. Regulatory authorization of a product in one country does not ensure regulatory authorization in another, but a failure or delay in obtaining marketing authorization in one country may negatively impact the regulatory process in others. Failure to obtain regulatory authorization in other countries or any delay or setback in obtaining such authorization could have the same adverse effects described above regarding FDA authorization in the United States. If we, our contract manufacturers or our component suppliers are unable to manufacture the Vicarious Surgical System in sufficient quantities, on a timely basis, at acceptable costs and in compliance with regulatory and quality requirements, the manufacturing and distribution of our devices could be interrupted, and our product sales and operating results could suffer. We and our contract manufacturers and our component suppliers are required to comply with the FDA Quality System Regulation (" QSR "), which is a complex regulatory framework that covers the procedures and documentation of the design, testing, production, control, quality assurance, labeling, packaging, sterilization, storage, distribution and servicing of our devices. We and our contract manufacturers and regulated component suppliers will be subject to periodic unannounced inspections by the FDA and other regulatory authorities to monitor and ensure compliance with post-market regulatory requirements. We cannot assure investors that the FDA or other regulatory authorities will not discover evidence of noncompliance at our facilities or the facilities of our third- party manufacturers or suppliers during a future quality system inspection. Accordingly, assuming we receive marketing authorization for one or more product candidates, we and our contract manufacturers will continue to expend time, money and effort in all areas of regulatory compliance, including manufacturing, production, product surveillance, and quality control. Failure of us or our third- party manufacturers and component suppliers to adhere to QSR requirements or take adequate and timely corrective action in response to an adverse regulatory inspection finding could delay production of the Vicarious Surgical System and lead to fines, difficulties in obtaining regulatory authorizations recalls, enforcement actions, including injunctive relief or consent decrees, or other consequences, which could have a material adverse effect on our financial condition or results of operations. Any such failure, including the failure of our contract manufacturers, to achieve and maintain the required high manufacturing standards could result in delays or failures in product testing or delivery, cost overruns, increased warranty costs or other problems that could harm our business and prospects. Our current or future product candidates, products and technologies may be subject to product recalls even after receiving marketing authorization from the FDA. A recall of the Vicarious Surgical System, either voluntarily or at the direction of the FDA, or the discovery of serious safety issues with our future products, could have a significant adverse impact on us. The FDA and similar governmental bodies in other countries have the authority to require the recall of the Vicarious Surgical System

and any accessory devices if we or our third- party manufacturers fail to comply with relevant regulations pertaining to, among other things, manufacturing practices, labeling or if new information is obtained concerning deficiencies in the safety or efficacy of the Vicarious Surgical System. For example, under the FDA' s MDR regulations, we are required to report to the FDA any incident in which the Vicarious Surgical System may have caused or contributed to a death or serious injury or in which the Vicarious Surgical System malfunctioned in a manner likely to cause or contribute to death or serious injury if that malfunction were to recur. Repeated incidents of the same or similar adverse events or product malfunctions may result in a voluntary or mandatory product recall, or administrative or judicial seizure or injunction, when warranted. A government- mandated recall may be ordered if the FDA finds that there is a reasonable probability that the device would cause serious, adverse health consequences or death. A voluntary recall by us could occur as a result of a discovery of any material deficiency in a device, such as manufacturing defects, labeling deficiencies, packaging defects or other failures to comply with applicable regulations. It is possible that the FDA could disagree with our initial classification for a voluntary recall. The FDA requires that reports of device corrections or removals intended to reduce a risk to health posed by the device or remedy a violation of the FDCA caused by the device be submitted to the FDA within 10 working days after the correction or removal is initiated. If a change to a device addresses a violation of the FDCA, that change would generally constitute a medical device recall and require submission of a recall report to the FDA. Recalls of the Vicarious Surgical System would divert managerial and financial resources and have an adverse effect on our reputation, results of operations and financial condition, which could impair our ability to produce the Vicarious Surgical System in a cost- effective and timely manner in order to meet our customers' demands. We may also be subject to product liability claims, be required to bear other costs, or be required to take other actions that may have a negative impact on our future sales and our ability to generate profits. Companies are required to maintain certain records of product withdrawals or removals, even if they are not reportable to the FDA. We may initiate voluntary field actions involving the Vicarious Surgical System in the future that we determine do not require notification to the FDA. If the FDA disagrees with our determinations, the FDA could require us to report those actions as recalls. A future recall, withdrawal, or seizure of any product could materially and adversely affect consumer confidence in our brand, lead to decreased demand for the Vicarious Surgical System and negatively affect our sales. In addition, the FDA could take enforcement action for failing to report recalls when they were conducted by us or one of our agents. We may be subject to enforcement action if we engage in improper or off- label marketing or promotion of the Vicarious Surgical System, including fines, penalties and injunctions. The FDA regulates the promotional labeling for our products to ensure that the claims we make are consistent with the relevant marketing authorizations, that there is scientific data to substantiate the claims and that our promotion and advertising is neither false nor misleading. The off- label marketing or false or misleading labeling of our products may harm our image in the marketplace, result in injuries that lead to product liability suits, which could be costly to our business, or result in costly investigations and sanctions from the FDA and other regulatory bodies if we are deemed to have engaged in off- label promotion or false or misleading labeling. In addition to the FDA, depending on the form of marketing authorization that the Vicarious Surgical System and future product candidates and technologies receive, the ~~Federal Trade Commission (" FTC ")~~ may have overlapping authority to oversee the advertising of our products and any related services offered by us. The FTC' s focus would be on ensuring such advertising is truthful, adequately substantiated, and not deceptive under the FTC Act rather than enforcing any of the regulatory requirements in the FDCA and FDA' s implementing regulations. In August 2021, the FDA issued a final rule revising its regulation governing the types of evidence relevant to determining the " intended use " of a drug or device under the FDCA. The final rule makes clear that intended use is based on the manufacturer' s " objective intent " and the manufacturer' s knowledge of off- label use does not change a device' s intended use. We are subject to federal, state and foreign laws prohibiting " kickbacks " and false or fraudulent claims, and other fraud and abuse laws, transparency laws, and other health care laws and regulations, which, if violated, could subject us to substantial penalties. Additionally, any challenge to or investigation into our practices under these laws could cause adverse publicity and be costly to respond to, and thus could harm our business. If we obtain FDA marketing authorization for our Vicarious Surgical System, we will be subject to broadly applicable fraud and abuse and other health care laws and regulations that may constrain the business or financial arrangements and relationships through which we market, sell and distribute any product candidates for which we obtain marketing authorization. Restrictions under applicable federal and state health care laws and regulations include the following: ● the federal Anti- Kickback Statute prohibits, among other things, persons from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made under a federal health care program such as Medicare and Medicaid; ● the federal False Claims Act imposes criminal and civil penalties, including civil whistleblower or qui tam actions, against individuals or entities for, among other things, knowingly presenting, or causing to be presented false or fraudulent claims for payment by a federal government program, or making a false statement or record that is material to payment of a false claim or avoiding, decreasing or concealing an obligation to pay money to the federal government; ● HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, imposes criminal and civil liability for executing a scheme to defraud any health care benefit program and also imposes obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information; ● the federal false statements statute prohibits knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement in connection with the delivery of or payment for health care benefits, items or services; ● the federal transparency requirements under the Physician Payments Sunshine Act require manufacturers of FDA- authorized, approved or cleared drugs, devices, biologics and medical supplies covered by Medicare or Medicaid to report, on an annual basis, to the Department of Health and Human Services information related to payments and other transfers of value to physicians, teaching hospitals and certain advanced non- physician health care practitioners and physician ownership and investment interests; and ● analogous state laws and regulations such as state anti-

kickback and false claims laws and analogous non- U. S. fraud and abuse laws and regulations, may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non- governmental third- party payors, including private insurers, and some state laws require medical device companies to comply with the device industry' s voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government in addition to requiring device manufacturers to report information related to payments to physicians and other healthcare providers or marketing expenditures. State and non- U. S. laws also govern the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts. Efforts to ensure that our business arrangements with third parties comply with applicable health care laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other health care laws and regulations. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, imprisonment, exclusion of products from government funded health care programs, such as Medicare and Medicaid, and the curtailment or restructuring of our operations. If any of the physicians or other health care providers or entities with whom we expect to do business is found to be not in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded health care programs. Health care policy and payment changes may have a material adverse effect on our financial condition and results of operations. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative or executive action, either in the United States or abroad. In the United States and in some other jurisdictions, there have been a number of legislative and regulatory changes and proposed changes regarding the health care system that could prevent or delay marketing authorization of our product candidates and technologies or any of our potential future product candidates and technologies, restrict or regulate post-authorization activities, or affect our ability to profitably sell any product candidates and technologies for which we obtain marketing authorization. Increased scrutiny by the U. S. Congress of the FDA' s medical device authorization process may significantly delay or prevent marketing authorization, as well as subject us to more stringent product labeling and post-marketing testing and other requirements. Congress also must reauthorize the FDA' s user fee programs every five years and often makes changes to those programs, in addition to policy or procedural changes that may be negotiated between the FDA and industry stakeholders as part of this periodic reauthorization process. In March 2010, Congress passed the ACA, which substantially changed the way health care is financed by both the government and private insurers, and significantly impacts the United States medical device industry. As another example, the 2021 Consolidated Appropriations Act signed into law on December 27, 2020 incorporated extensive health care provisions and amendments to existing laws. There remain judicial and Congressional challenges to certain aspects of the ACA, and as a result certain sections of the ACA have not been fully implemented or effectively repealed. In particular, in December of 2018, a Texas U. S. District Court Judge ruled that the ACA is unconstitutional in its entirety because the individual mandate was repealed by Congress as part of the Tax Cuts and Jobs Act, effective January 1, 2019. In December 2019, the Fifth Circuit Court of Appeals upheld the district court' s ruling that the individual mandate in the ACA was unconstitutional, but remanded the case to the district court to determine whether other reforms enacted as part of the ACA, but not specifically related to the individual mandate or health insurance could be severed from the rest of the ACA so as not to have the law declared invalid in its entirety. On March 2, 2020, the U. S. Supreme Court granted the petitions for writs of certiorari to review this case and allocated one hour for oral arguments, which occurred on November 10, 2020. On February 10, 2021, the Department of Justice sent a letter to the U. S. Supreme Court that stated the new administration believes the individual mandate and its tax penalty are constitutional, and if the Court determines that they are not, the provision can be severed from the remainder of the act. With this letter, the Biden administration reversed the Trump administration position that was presented to the Court. The Trump administration had claimed that the tax provision is unconstitutional and could not be separated from the ACA, making the entire ACA unconstitutional as a result. The U. S. Supreme Court held in a 7 – 2 opinion that the states and individuals that brought the lawsuit challenging the ACA' s individual mandate do not have standing to challenge the law. The U. S. Supreme Court did not reach the merits of the challenge, but the decision ends the case. It is unclear how potential litigation and other efforts to repeal and replace the ACA will affect the implementation of that law, the pharmaceutical and medical device industries more generally, and our business. Additionally, the 2020 federal spending package permanently eliminated, effective January 1, 2020, the ACA- mandated " Cadillac " tax on high- cost employer- sponsored health coverage and medical device tax and, effective January 1, 2021, also eliminates the health insurer tax. In addition, CMS published a final rule that would give states greater flexibility, effective January 1, 2020, in setting benchmarks for insurers in the individual and small group marketplaces, which may have the effect of relaxing the essential health benefits required under the ACA for plans sold through such marketplaces. We continue to evaluate the potential impact of the ACA and its possible repeal or replacement on our business. The uncertainty around the future of the ACA, and in particular the impact to reimbursement levels, may lead to uncertainty or delay in the purchasing decisions of our future customers, which may in turn negatively impact product sales. If there are not adequate reimbursement levels, our business and results of operations could be adversely affected. In addition, other legislative changes have been proposed and adopted since the ACA was enacted. These changes include aggregate reductions to Medicare payments to providers of up to 2 % per fiscal year pursuant to the Budget Control Act of 2011, which began in 2013 and will remain in effect through 2031 unless additional Congressional action is taken. However, the Medicare sequester reductions were temporarily suspended due to the COVID- 19 pandemic. The Medicare sequester reductions phased back in starting with a 1 % reduction in effect from April 1, 2022 to June 30, 2022 before increasing to the full 2 % reduction. We cannot predict whether future health care initiatives will be implemented at the federal or state level or in countries outside of the United States in which we may do business in the future, or the effect any future legislation or regulation will have on us. Inadequate funding for the FDA and other government

agencies could hinder their ability to hire and retain key leadership and other personnel, prevent new products and technologies from being developed or commercialized in a timely manner or otherwise prevent those agencies from performing normal business functions on which the operation of our business may rely, which could negatively impact our business. The ability of the FDA to review and approve, authorize, or clear new medical device products and technologies can be affected by a variety of factors, including government budget and funding levels, ability to hire and retain key personnel and accept the payment of user fees, and statutory, regulatory, and policy changes. Average review times at the FDA have fluctuated in recent years as a result. In addition, government funding of the SEC and other government agencies on which our operations may rely, including those that fund research and development activities, is subject to the political process, which is inherently fluid and unpredictable. Disruptions at the FDA and other agencies may also increase the time necessary for new products and technologies to be reviewed and / or authorized by necessary government agencies, which would adversely affect our business. For example, over the last several years, the U. S. government has shut down several times, and certain regulatory agencies, such as the FDA and the SEC, have had to furlough critical employees and stop critical activities. Additionally, if a prolonged government shutdown or slowdown occurs, or if global health concerns prevent the FDA or other regulatory authorities from conducting their regular premarket review, inspections, or other regulatory activities, it could significantly impact the ability of the FDA to timely review and clear, authorize, or approve regulatory submissions, which could have a material adverse effect on our future business. Further, following the completion of the Business Combination and in our operations as a public company, future government shutdowns could impact our ability to access the public markets and obtain necessary capital in order to properly capitalize and continue our operations. Risks Related to Our Intellectual Property If we are unable to protect our intellectual property, our ability to maintain any technological or competitive advantage over our competitors and potential competitors would be adversely impacted, and our business may be harmed. We rely on patent protection as well as trademark, copyright, trade secret and other intellectual property rights protection and contractual restrictions to protect our proprietary technologies, all of which provide limited protection and may not adequately protect our rights or permit us to gain or keep any competitive advantage. If we fail to obtain, maintain, and protect our intellectual property, third parties may be able to compete more effectively against us, and we may lose our technological or competitive advantage. We may also incur substantial litigation costs in our attempts to defend, enforce, recover or restrict the use of our intellectual property. We cannot assure investors that any of our currently pending or future patent applications will result in granted patents, and we cannot predict how long it will take for such patents to be granted or whether the scope of such patents, if granted, will adequately protect the Vicarious Surgical System from competitors. It is possible that, for any of our patents that have been granted or that may be granted in the future, other parties will design alternatives that do not infringe our patents. Further, we cannot assure investors that other parties will not challenge any patents granted to us or that courts or regulatory agencies will hold our patents to be valid or enforceable. We cannot guarantee investors that we will be successful in defending challenges made against our patents. Any successful third- party challenge to our patents could result in the unenforceability or invalidity of such patents, or to such patents being interpreted narrowly or otherwise in a manner adverse to our interests. Our ability to establish or maintain a technological or competitive advantage over our competitors may be diminished because of these uncertainties. For these and other reasons, our intellectual property may not provide us with any competitive advantage. For example: ● we or our licensors (should we in- license IP in the future) might not have been the first to make the inventions covered by our pending patent applications or granted patents; ● we or our licensors might not have been the first to file patent applications for our inventions. To determine the priority of these inventions, we may have to participate in interference proceedings or derivation proceedings declared by the U. S. Patent and Trademark Office, or USPTO, that could result in substantial cost to us and may be unsuccessful. No assurance can be given that our patent applications or granted patents (or those of our licensors) will have priority over any other patent or patent application involved in such a proceeding; ● other parties may independently develop similar or alternative products and technologies or duplicate any of our product candidates and technologies; ● it is possible that our owned or licensed pending patent applications will not result in granted patents in the United States or foreign jurisdictions, and even if such pending patent applications grant as patents, they may not provide a basis for intellectual property protection of commercially viable products and technologies, may not provide us with any competitive advantages, or may be challenged and invalidated by third parties; ● we may not develop additional proprietary products and technologies and technologies that are patentable; ● the patents of other parties may block us from practicing our technology and thereby have an adverse effect on our business; and ● while we apply for patents covering our product candidates and technologies and uses thereof, as we deem appropriate, we may fail to apply for or obtain patents on important product candidates and technologies and uses thereof in a timely fashion or at all, or we may fail to apply for or obtain patents in potentially relevant jurisdictions. The strength of patents involves complex legal questions and can be uncertain. Even if one or more patents do successfully issue, third parties may challenge the validity, enforceability, inventorship or scope thereof. Such a challenge may result in such patents being narrowed, invalidated or held unenforceable. If the breadth or strength of protection provided by our patents is threatened, it could dissuade companies from collaborating with us to develop, and threaten our ability to commercialize, our technology. Further, if we encounter delays in clinical trials, the period of time during which we could market our product candidates under patent protection would be reduced. Since patent applications in the United States and most other countries are confidential for a period of time after filing, we cannot be certain that we are the first to file any patent application related to our product candidates. Even if our patent applications issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage. Our competitors may be able to circumvent our patents by developing similar or alternative technologies or products in a non-infringing manner. The issuance of a patent is not conclusive as to its scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in the United States and abroad. For example, we may become involved in opposition, interference, derivation, inter partes review or other proceedings challenging our patent rights, and the outcome of any

proceedings are highly uncertain. Such challenges may result in the patent claims of our patents being narrowed, invalidated or held unenforceable, which could limit our ability to stop or prevent us from stopping others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our technology and product candidates. Given the amount of time required for the development, testing and regulatory review of new technology, patents protecting such technology might expire before or shortly after such technology is commercialized. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to our product candidates or otherwise provide us with a competitive advantage. To the extent our intellectual property offers inadequate protection, or is found to be invalid or unenforceable, we would be exposed to a greater risk of direct competition. If our intellectual property does not provide adequate coverage over our product candidates and technologies and protection against our competitors' products and technologies, our competitive position could be adversely affected, as could our business. The measures that we use to protect the security of our intellectual property and other proprietary rights may not be adequate, which could result in the loss of legal protection for, and thereby diminish the value of, such intellectual property and other rights. The patenting process is expensive and time- consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. In addition, we may not pursue or obtain patent protection in all relevant markets. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. Our pending and future patent applications may not result in issued patents that protect our technology or product candidates, in whole or in part. In addition, our existing patents and any future patents we obtain may not be sufficiently broad to prevent others from using our technology or from developing competing products and technologies. If we delay in filing a patent application, and a competitor files a patent application on the same or a similar technology before we do, we may face a limited ability to secure patent rights. We may not be able to patent the technology at all. Even if we can patent the technology, we may be able to patent only a limited scope of the technology, and the limited scope may be inadequate to protect our product candidates, or to block competitor products that are similar or adjacent to ours. Our earliest patent filings have been published. A competitor may review our published patents and arrive at the same or similar technology advances for our product candidates as we developed. If the competitor files a patent application on such an advance before we do, then we may no longer be able to protect the technology. We may require a license from the competitor, and if the license is not available on commercially- viable terms, then we may not be able to launch our product candidates. In addition to pursuing patents on our technology, we also rely upon trademarks, trade secrets, copyrights and unfair competition laws and other contractual provisions, to protect our intellectual property and other proprietary rights. Despite these measures, any of our intellectual property rights could be challenged, invalidated, circumvented or misappropriated. In addition, we take steps to protect our intellectual property and proprietary technology by entering into confidentiality agreements and intellectual property assignment agreements with our employees, consultants, corporate partners and, when needed, our advisors. Our suppliers may also have access to the patented technology owned or used by us as well as other proprietary information, and these suppliers are subject to confidentiality provisions under their agreements with us. Such agreements or provisions may not be enforceable or may not provide meaningful protection for our trade secrets or other proprietary information in the event of unauthorized use or disclosure or other breaches of the agreements, and we may not be able to prevent such unauthorized disclosure. Notwithstanding any such agreements, there is no assurance that our current or former manufacturers or suppliers will not use and / or supply our competitors with our trade secrets, know- how or other proprietary information to which these parties gained access or generated from their relationship with us. This could lead to our competitors gaining access to patented or other proprietary information. Moreover, if a party to an agreement with us has an overlapping or conflicting obligation to a third party, our rights in and to certain intellectual property could be undermined. Monitoring unauthorized disclosure is difficult, and we do not know whether the steps we have taken to prevent such disclosure are, or will be, adequate. If we were to enforce a claim that a third party had illegally obtained and was using our trade secrets, it would be expensive and time-consuming, the outcome would be unpredictable, and any remedy may be inadequate. Courts outside the United States may be less willing to protect trade secrets. In addition, competitors could purchase our product candidates and technologies and attempt to replicate some or all of the competitive advantages we derive from our development efforts, willfully infringe our intellectual property rights, design around our protected technology or develop their own competitive technologies that fall outside of our intellectual property rights. If our intellectual property does not adequately protect our market share against competitors' products and technologies and methods, our competitive position could be adversely affected, as could our business. We may need or may choose to obtain licenses from third parties to advance our research or allow commercialization of our current or future product candidates and technologies, and we cannot provide any assurances that we would be able to obtain such licenses. We may need or may choose to obtain licenses from third parties to advance our research or allow commercialization of our current or future product candidates and technologies, and we cannot provide any assurances that third- party patents do not exist that might be enforced against our current or future product candidates and technologies in the absence of such a license. We may fail to obtain any of these licenses on commercially reasonable terms, if at all. Even if we are able to obtain a license, it may be non- exclusive, thereby giving our competitors access to the same technologies licensed to us. If we could not obtain a license, we may be required to expend significant time and resources to develop or license replacement technology. If we are unable to do so, we may be unable to develop or commercialize the affected product candidates and technologies, which could materially harm our business and the third parties owning such intellectual property rights could seek either an injunction prohibiting our sales, or, with respect to our sales, an obligation on our part to pay royalties, damages and / or other forms of compensation. Licensing intellectual property involves complex legal, business and scientific issues. Disputes may arise between us and our licensors regarding intellectual property subject to a license agreement, including: ● the scope of rights granted under the license agreement and other interpretation- related issues; ● whether and the extent to which our technology and processes infringe intellectual property of the licensor that is not subject to the licensing agreement; ● our right to

sublicense patent and other rights to third parties under collaborative development relationships; ● our diligence obligations with respect to the use of the licensed technology in relation to our development and commercialization of our product candidates and technologies, and what activities satisfy those diligence obligations; and ● the ownership of inventions and know- how resulting from the joint creation or use of intellectual property by our licensors and our partners. If disputes over licensed intellectual property prevent or impair our ability to maintain the licensing arrangements on acceptable terms, we may be unable to successfully develop and commercialize the affected product, or the dispute may have an adverse effect on our results of operations. In addition to agreements pursuant to which we in- license intellectual property, we may in the future grant licenses under our intellectual property. Like in- licenses, out- licenses are complex, and disputes may arise between us and our licensees, such as the types of disputes described above. Moreover, our licensees may breach their obligations, or we may be exposed to liability due to our failure or alleged failure to satisfy our obligations. Any such occurrence could have an adverse effect on our business. The licensing and acquisition of third- party intellectual property rights is a competitive practice, and companies that may be more established, or have greater resources than we do, may also be pursuing strategies to license or acquire third- party intellectual property rights that we may consider necessary or attractive for commercializing our technology. More established companies may have a competitive advantage over us due to their larger size, cash resources, or commercialization capabilities. There can be no assurance that we will be able to successfully complete such negotiations and ultimately acquire the rights to the intellectual property that we may seek to acquire. We and our partners may be sued for infringing the intellectual property rights of third parties. If that happens, such litigation would be costly and time consuming, and an unfavorable outcome in any such litigation could have a material adverse effect on our business. Our success also depends on our ability to develop, manufacture, market and sell the Vicarious Surgical System without infringing the proprietary rights of third parties. Numerous U. S. and foreign- issued patents and pending patent applications owned by third parties exist in the fields in which we are developing the Vicarious Surgical System. As part of a business strategy to impede our successful commercialization and entry into new markets, competitors may claim that the Vicarious Surgical System infringes their intellectual property rights and may suggest that we enter into license agreements. Such competitors may bring litigation against us or our partners to enforce such claims. Such claims may or may not be meritorious, but even if such claims are without merit, we could incur substantial costs and the attention of our management and technical personnel could be diverted in defending us against or settling such claims. Any adverse ruling by a court or administrative body, or perception of an adverse ruling, may have a material adverse effect on our ability to conduct our business and on our finances. Moreover, third parties making claims against us may be able to obtain injunctive relief against us, which could block our ability to offer the Vicarious Surgical System and could result in a substantial award of damages against us. In addition, since we could sometimes agree to indemnify customers, collaborators or licensees, we may have additional liability in connection with any infringement or alleged infringement of third- party intellectual property. Because patent applications can take many years to issue, there may be pending applications, some of which are unknown to us, that may result in issued patents that the Vicarious Surgical System or proprietary technologies infringe. Moreover, we may fail to identify issued patents of relevance or incorrectly conclude that an issued patent is invalid or not infringed by our technology or the Vicarious Surgical System. There is a substantial amount of litigation involving patent and other intellectual property rights in the medical device space in general and in the robotic surgery field in particular. As we face increasing competition and as our business grows, we will likely face claims of infringement. If a third- party claims that we or any of our licensors, customers or collaboration partners infringe a third party' s intellectual property rights, we may have to do any or all of the following: ● seek licenses that may not be available on commercially reasonable terms, if at all; ● cease commercializing any infringing product or redesign the Vicarious Surgical System or processes to avoid infringement where in some cases redesign may not be possible or may require substantial monetary expenditures and time; ● pay substantial damages, including treble damages and attorneys' fees, which we may have to pay if a court decides that the product or proprietary technology at issue infringes upon or violates the third- party' s rights; ● pay substantial royalties or fees or grant cross- licenses to our technology; and ● defend litigation or administrative proceedings that may be costly whether we win or lose, and which could result in a substantial diversion of our financial and management resources. Some of our competitors may be able to sustain the costs of complex patent litigation more effectively than we can, because they have substantially greater resources. In addition, any uncertainties resulting from the initiation and continuation of any litigation could have a material adverse effect on our ability to raise the funds necessary to continue our operations or could otherwise have a material adverse effect on our business, results of operations, financial condition and prospects. We may choose to challenge the patentability of claims in a third party' s U. S. patent by requesting that the USPTO review the patent claims in an ex- parte re- exam, inter partes review or post- grant review proceedings. These proceedings are expensive and may consume time or other resources. We may choose to challenge a third party' s patent in patent opposition proceedings in the European Patent Office, or EPO, or other foreign patent office. The costs of these opposition proceedings could be substantial, and may consume time or other resources. If we fail to obtain a favorable result at the USPTO, EPO or other patent office, then we may be exposed to litigation by a third party alleging that the patent is infringed by our product candidates or proprietary technologies. During the course of any intellectual property litigation, there could be public announcements of the initiation of the litigation, as well as results of hearings, rulings on motions and other interim proceedings in the litigation. If securities analysts or investors regard these announcements as negative, the perceived value of our product candidates, programs or intellectual property could be diminished. Accordingly, the market price of shares of our common stock may decline. Such announcements could also harm our reputation or the market for our future product candidates, which could have a material adverse effect on our business. We may be involved in lawsuits to protect or enforce our patents or the patents of our licensors, which could be expensive, time- consuming and unsuccessful. Competitors may infringe our patents or the patents that we license. In the event of infringement or unauthorized use, we may file one or more infringement lawsuits, which can be expensive and time- consuming. An adverse result in any such litigation proceedings could put one or more of our patents at risk

of being invalidated, being found to be unenforceable or being interpreted narrowly and could put our patent applications at risk of not issuing. An adverse result could also require us to pay the legal fees of the opposing party. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. Many of our competitors are larger than us and have substantially greater resources. They are, therefore, likely to be able to sustain the costs of complex patent litigation longer than we could. In addition, the uncertainties associated with litigation could have a material adverse effect on our ability to raise any funds necessary to continue our operations, continue our internal research programs, in- license needed technology, or enter into development partnerships that would help us bring the Vicarious Surgical System to market. In addition, patent litigation can be very costly and time- consuming. An adverse outcome in any such litigation or proceedings may expose us or any of our future development partners to loss of our proprietary position, expose us to significant liabilities, or require us to seek licenses that may not be available on commercially acceptable terms, if at all. If a defendant were to prevail on a legal assertion of invalidity and / or unenforceability, we would lose at least part, and perhaps all, of the patent protection on the technology or process claimed by the patent. In addition, if the breadth or strength of protection provided by our patents or those of our future licensors is threatened, it could dissuade other companies from collaborating with us to license, develop or commercialize current or future product candidates. Such a loss of patent protection could have a material adverse effect on our business. We may be required to protect our patents through procedures created to attack the validity of a patent at the USPTO. The USPTO hears post- grant proceedings, including **post- grant reviews (~~PGR~~ PGRs)** , **inter partes reviews (~~IPR~~ IPRs)** and derivation proceedings. An adverse determination in any such submission or proceeding could reduce the scope or enforceability of, or invalidate, our patent rights, which could adversely affect our competitive position. Because of a lower evidentiary standard in USPTO proceedings compared to the evidentiary standard in United States federal courts necessary to invalidate a patent claim, a third party could potentially provide evidence in a USPTO proceeding sufficient for the USPTO to hold a claim invalid even though the same evidence would be insufficient to invalidate the claim if first presented in a district court action. Accordingly, a third party may attempt to use the USPTO procedures to invalidate our patent claims that would not have been invalidated if first challenged by the third party as a defendant in a district court action. Thus, the America Invents Act (the " AIA ") and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business, financial condition, results of operations and prospects. Our issued patents could be found invalid or unenforceable if challenged in court, which could have a material adverse effect on our business. Any of our intellectual property rights could be challenged or invalidated despite measures we take to obtain patent and other intellectual property protection with respect to our product candidates and proprietary technology. For example, if we or any of our partners were to initiate legal proceedings against a third party to enforce a patent covering the Vicarious Surgical System, the defendant in such litigation could counterclaim that our patent is invalid and / or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity and / or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness or non- enablement, or failure to claim patent eligible subject matter. Grounds for an unenforceability assertion could be an allegation that someone connected with the prosecution of the patent withheld relevant information from the USPTO, or made a misleading statement during prosecution either in the U. S. or abroad. Third parties may also raise similar claims before the USPTO or foreign patent offices, even outside the context of litigation. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to the validity question, for example, we cannot be certain that there is no invalidating prior art of which we and the patent examiner were unaware or was otherwise not considered during prosecution. If a defendant were to prevail on a legal assertion of invalidity and / or unenforceability, we would lose at least part, and perhaps all, of the challenged patent. Such a loss of patent protection could have a material adverse effect on our business. We may be subject to claims that our employees, consultants or independent contractors have wrongfully used or disclosed alleged trade secrets of their other clients or former employers to us, which could subject us to costly litigation. As is common in the medical device industry, we engage the services of consultants and independent contractors to assist us in the development of the Vicarious Surgical System. Many of these consultants and independent contractors were previously employed at, or may have previously provided or may be currently providing consulting or other services to, universities or other technology or medical device companies, including our competitors or potential competitors. We may become subject to claims that we, a consultant or an independent contractor, inadvertently or otherwise, used or disclosed trade secrets or other information proprietary to their former employers or their former or current clients. We may similarly be subject to claims stemming from similar actions of an employee, such as one who was previously employed by another company, including a competitor or potential competitor. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to our management team. If we were not successful, we could lose access or exclusive access to valuable intellectual property. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments, and, if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. This type of litigation or proceeding could substantially increase our operating losses and reduce our resources available for development activities. We may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their substantially greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other intellectual property related proceedings could adversely affect our ability to compete in the marketplace. We may be subject to claims challenging the inventorship or ownership of our patents and other intellectual property. We generally enter into confidentiality and intellectual property assignment agreements with our employees, consultants, and contractors. These agreements generally provide that inventions

conceived by the party in the course of rendering services to us will be our exclusive property. However, those agreements may not be honored and may not effectively assign intellectual property rights to us. For example, even if we have a consulting agreement in place with an academic advisor pursuant to which such academic advisor is required to assign any inventions developed in connection with providing services to us, such academic advisor may not have the right to assign such inventions to us, as it may conflict with his or her obligations to assign all such intellectual property to his or her employing institution. We may be subject to claims that former employees, collaborators or other third parties have an interest in our patents, trade secrets, or other intellectual property as an inventor or co- inventor. Also, former employees may become employed by competitors who develop similar technology, and could assist the competitor in designing around our patents. While it is our policy to require our employees and contractors who may be involved in the development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who in fact develops intellectual property that we regard as our own. The assignment agreements entered into by us may not be self- executing or may be breached, and litigation may be necessary to defend against these and other claims challenging inventorship or our ownership of our patents, trade secrets or other intellectual property. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, intellectual property that is important to our product candidates. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects. We may not be able to protect our intellectual property rights throughout the world, which could materially, negatively affect our business. Filing, prosecuting and defending patents on current and future product candidates and technologies in all countries throughout the world would be prohibitively expensive, and many markets outside the United States will likely be smaller than the United States for commercializing the Vicarious Surgical System. We may therefore choose to pursue a more limited set of patent filings outside the United States, such that our intellectual property rights in some countries outside the United States may be less extensive than those in the United States, or may not be pursued at all in such countries. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States. Consequently, regardless of whether we are able to prevent third parties from practicing our inventions in the United States, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, or from selling or importing products and technologies made using our inventions in and into the United States or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not pursued and obtained patent protection to develop their own product candidates and technologies, and further, may export otherwise infringing products and technologies to territories where we have patent protection, but enforcement is not as strong as it is in the United States. These products and technologies may compete with our product candidates and technologies, and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing. Even if we pursue and obtain issued patents in particular jurisdictions, our patent claims or other intellectual property rights may not be effective or sufficient to prevent third parties from competing in such jurisdictions. Patent protection must ultimately be sought on a country- by- country basis, which is an expensive and time- consuming process with uncertain outcomes. Accordingly, we may choose not to seek patent protection in certain countries, and we will not have the benefit of patent protection in such countries. 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, which could make it difficult for us to stop the infringement of our patents or marketing of competing products and technologies in violation of our proprietary rights generally. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business. These proceedings could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing. Additionally, these proceedings could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license and may adversely impact our business. In addition, we also face the risk that the Vicarious Surgical System will be imported or reimported into markets with relatively higher prices from markets with relatively lower prices, which would result in a decrease of sales and any payments we receive from the affected market. Recent developments in U. S. patent law have made it more difficult to stop these and related practices based on theories of patent infringement. Patent terms may be inadequate to protect our competitive position on technology for an adequate amount of time. Patents have a limited lifespan. In the United States, if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years from its earliest U. S. non- provisional filing date. Various extensions may be available, but the life of a patent, and the protection it affords, is limited. Even if patents covering our product candidates are obtained, once the patent life has expired for a product, we may be open to competition. Given the amount of time required for the development, testing and regulatory review of new products, patents protecting such products might expire before or shortly after such products are commercialized. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to our product candidates for a meaningful amount of time, or at all. Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements. The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other 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 an event, competitors might be able to enter the market earlier than would otherwise

have been the case. Periodic maintenance fees on any issued patent are due to be paid to the USPTO and foreign patent agencies in several stages over the lifetime of the patent. The USPTO and various foreign governmental patent agencies also require compliance with a number of procedural, documentary, fee payment (such as annuities) and other similar provisions during the patent application process and beyond. While an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Non-compliance events that could result in abandonment or lapse of a patent or patent application include, but are not limited to, failure to respond to official actions within prescribed time limits, non- payment of fees and failure to properly legalize and submit formal documents. In some cases, our licensors may be responsible for these payments or filings, thereby decreasing our control over compliance with these requirements. If we fail to comply with such procedural, documentary, payment and other provisions for any item of intellectual property, such intellectual property may become abandoned or may lapse. If our trademarks and trade names are not adequately protected, then we may not be able to build name recognition in our markets of interest and our business may be adversely affected. Our registered or unregistered trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition by potential partners or customers in our markets of interest. At times, competitors may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business may be adversely affected. In addition, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business may be adversely affected. We may license our trademarks and trade names to third parties, such as distributors. Though these license agreements may provide guidelines for how our trademarks and trade names may be used, a breach of these agreements or misuse of our trademarks and tradenames by our licensees may jeopardize our rights in, or diminish the goodwill associated with, our trademarks and trade names. Our efforts to enforce or protect our proprietary rights related to trademarks, trade names, trade secrets, domain names, copyrights or other intellectual property may be ineffective and could result in substantial costs and diversion of resources and could adversely affect our financial condition or results of operations. Numerous factors may limit any potential competitive advantage provided by our intellectual property rights. The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations, and may not adequately protect our business, provide a barrier to entry against our competitors or potential competitors, or permit us to maintain our competitive advantage. Moreover, if a third party has intellectual property rights that cover the practice of our technology, we may not be able to fully exercise or extract value from our intellectual property rights. The following examples are illustrative: ● others may be able to develop and / or practice technology that is similar to our technology or aspects of our technology that are not covered by the claims of any patents that have issued, or may issue, from our owned or in- licensed patent applications; ● we might not have been the first to make the inventions covered by a pending patent application that we own or license; ● we might not have been the first to file patent applications covering an invention and therefore may not be able to obtain or maintain patent protection for the invention; ● others may independently develop similar or alternative technologies without infringing our intellectual property rights; ● pending patent applications that we own or license may not lead to issued patents; ● patents, if issued, that we own or license may not provide us with any competitive advantages, or may be interpreted narrowly or held invalid or unenforceable, as a result of legal challenges by our competitors; ● third parties may compete with us in jurisdictions where we do not pursue and obtain patent protection; ● we may not be able to obtain and / or maintain necessary or useful licenses on reasonable terms or at all; ● third parties may be able to also license the intellectual property that we have licensed nonexclusively; ● third parties may assert an ownership interest in our intellectual property and, if successful, such disputes may preclude us from exercising exclusive rights over that intellectual property; ● we may not be able to maintain the confidentiality of our trade secrets or other proprietary information; ● we may not develop or in- license additional proprietary technologies that are patentable; and ● one or more third parties may pursue continuation patent applications with claims directed to our product offerings, and if issued such patents may have an adverse effect on our business. Should any of these events occur, they could significantly harm our business and results of operations. Litigation Risks In addition to IP litigation risks (referenced above), we face the risk of product liability claims and may be subject to damages, fines, penalties and injunctions, among other things. Our business exposes us to the risk of product liability claims that are inherent in the testing, manufacturing and marketing of medical devices, including those which may arise from the misuse (including system hacking or other unauthorized access by third parties to our systems) or malfunction of, or design flaws in, our product candidates, when or if authorized for marketing. This liability may vary based on the FDA classification associated with our devices and with state law governing product liability standards applied to specification developers and / or manufacturers in a given negligence or strict liability lawsuit. We may be subject to product liability claims if the Vicarious Surgical System causes, or merely appears to have caused, an injury. Claims may be made by patients, healthcare providers or others selling the Vicarious Surgical System. The risk of product liability claims may also increase if our product candidates are subject to a recall or seizure. Product liability claims may be brought by individuals or by groups seeking to represent a class. Although we have insurance at levels that we believe to be appropriate, this insurance is subject to deductibles and coverage limitations. Our current product liability insurance may not continue to be available to us on acceptable terms, if at all, and, if available, the coverage may not be adequate to protect us against any future product liability claims. If we are unable to maintain insurance at an acceptable cost or on acceptable terms with adequate coverage or otherwise protect against potential product liability claims, we may be exposed to significant liabilities, which may harm our business. A product liability claim, recall or other claim with respect to uninsured liabilities or for amounts in excess of

insured liabilities could result in significant costs and significant harm to our business. We may be subject to claims against us even if the apparent injury is due to the actions of others or misuse of the device or a partner device. Healthcare providers may use the Vicarious Surgical System in a manner inconsistent with the labeling and that differs from the manner in which it was used in clinical studies and authorization for use by the FDA. Off- label use of medical products by healthcare providers is common, and any such off- label use of the Vicarious Surgical System could subject us to additional liability, or require design changes to limit this potential off- label use once discovered. Defending a suit, regardless of merit, could be costly, could divert management attention and might result in adverse publicity, which could result in the withdrawal of, or result in reduced acceptance of, the Vicarious Surgical System in the market. Additionally, we may enter into various agreements where we indemnify third parties for certain claims relating to the Vicarious Surgical System. These indemnification obligations may require us to pay significant sums of money for claims that are covered by these indemnification obligations. We are not currently subject to any product liability claims; however, any future product liability claims against it, regardless of their merit, may result in negative publicity about us that could ultimately harm our reputation and could have a material adverse effect on our business, financial condition, or results of operations. **.** We may face litigation and other risks as a result of the material weakness in our internal controls over financial reporting.We have previously identified a material weakness in our internal controls over financial reporting.See " We have identified a material weakness in our internal control over financial reporting.If we are unable to successfully remediate this material weakness in our internal control over financial reporting,we may not be able to report our financial condition or results of operations accurately or in a timely manner,which may adversely affect investor confidence in us and,as a result,materially and adversely affect our business and the value of our Class A common stock." As noted on our Form 10- Q / A as of and for the period ended September 30,2021,we restated our financial statements to adjust the valuation of our public warrants (~~the~~ " **the** Restatement ").As a result of such material weakness,we face potential for litigation or other disputes which may include,among others,claims invoking the federal and state securities laws,contractual claims or other claims arising from the Restatement and material weaknesses in our internal control over financial reporting and the preparation of our financial statements.We can provide no assurance that such litigation or dispute will not arise in the future.Any such litigation or dispute,whether successful or not,could have a material adverse effect on our business,results of operations and financial condition .–Risks Related to Our Securities and to Being a Public Company Our outstanding warrants became exercisable for our Class A common stock 30 days after the closing of our Business Combination, which increased the number of shares eligible for future resale in the public market and, upon exercise, will result in dilution to our stockholders. Following the Business Combination, there were (i) 17, 249, 991 outstanding public warrants to purchase 17, 249, 991 shares of our Class A common stock at an exercise price of $ 11. 50 per share, (ii) 8, 900, 000 outstanding private placement warrants issued in connection with D8' s initial public offering exercisable for 8, 900, 000 shares of our Class A common stock at an exercise price of $ 11. 50 per share, and (iii) 1, 500, 000 outstanding private placement warrants issued upon conversion of working capital loans made to D8 exercisable for 1, 500, 000 shares of our Class A common stock at an exercise price of $ 11. 50 per share. The warrants became exercisable 30 days after the closing of our Business Combination, which occurred on September 17, 2021. In certain circumstances, the warrants may be exercised on a cashless basis. To the extent such warrants are exercised, additional shares of our Class A common stock will be issued, which will result in dilution to the holders of our Class A common stock and increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market could adversely affect the market price of our Class A common stock, the impact of which is increased as the value of our stock price increases. However, there is no guarantee that the warrants will remain in the money prior to their expiration, and as such, the warrants may expire worthless. The valuation of our warrants could increase the volatility in our net income (loss) in our consolidated statements of operations. The change in fair value of our warrants is the result of changes in stock price and warrants outstanding at each reporting period. The change in fair value of warrant liabilities represents the mark- to- market fair value adjustments to the outstanding warrants issued in connection with the initial public offering of D8. Significant changes in our stock price or number of warrants outstanding may adversely affect our net income (loss) in our consolidated statements of operations . We may face litigation and other....., results of operations and financial condition . We are an emerging growth company and a smaller reporting company within the meaning of the Securities Act, and if we take advantage of certain exemptions from disclosure requirements available to " emerging growth companies " or " smaller reporting companies, " this could make our securities less attractive to investors and may make it more difficult to compare our performance with other public companies. We are an " emerging growth company " within the meaning of the Securities Act, as modified by the JOBS Act, and we may 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 common stock held by non- affiliates exceeds $ 700 million as of the end of any second quarter of a fiscal year, in which case we would no longer be an emerging growth company as of the last day of such fiscal year. 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. 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 registration statement under the Securities Act declared effective or do not have a class of securities

registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non- emerging growth companies but any such election to opt out is irrevocable. We have elected not to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our financial statements with another public company that is not an emerging growth company or is an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used. Additionally, we are a " smaller reporting company " as defined in Item 10 (f) (1) of Regulation S- K. Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, providing only two years of audited financial statements. We will remain a smaller reporting company until the last day of the fiscal year in which (i) the market value of our common stock held by non- affiliates is greater than or equal to $ 250 million as of the end of that fiscal year' s second fiscal quarter, and (ii) our annual revenues are greater than or equal to $ 100 million during the last completed fiscal year and the market value of our common stock held by non- affiliates exceeds $ 700 million as of the end of that fiscal year' s second fiscal quarter. To the extent we take advantage of such reduced disclosure obligations, it may also make comparison of our financial statements with other public companies difficult or impossible. We cannot predict the impact our dual class structure may have on the stock price of our Class A common stock. 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, certain index providers have announced restrictions on including companies with multiple- class share structures in certain of their indexes. Under these policies, our dual class capital structure would make us ineligible for inclusion in certain indices, and as a result, mutual funds, exchange- traded funds and other investment vehicles that attempt to passively track those indices will not be investing in our stock. It is unclear what effect, if any, these policies will have on the valuations of publicly traded companies excluded from such indices, but it is possible that they may depress valuations, as compared to similar companies that are included. As a result, the market price of shares of our Class A common stock could be adversely affected. If securities or industry analysts do not publish research or reports about our business or if they issue an adverse or misleading opinion regarding our securities, our stock price and trading volume could decline. The trading market for our securities is influenced by the research and reports that industry or securities analysts publish about us or our business. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, we could lose visibility in the financial markets, which could cause the price and trading volume of our securities to decline. Further, if any of these analysts issues an adverse or misleading opinion regarding us, our business model, our industry or our stock performance or if our operating results fail to meet analyst expectations, the price of our securities could also decline. Delaware law and our organizational documents contain certain provisions, including anti- takeover provisions that limit the ability of stockholders to take certain actions and could delay or discourage takeover attempts that stockholders may consider favorable. The provisions of the General Corporation Law of the State of Delaware (" DGCL ") and our organizational documents contain provisions that could have the effect of rendering more difficult, delaying, or preventing an acquisition that stockholders may consider favorable, including transactions in which stockholders might otherwise receive a premium for their shares. These provisions could also limit the price that investors might be willing to pay in the future for shares of our common stock, and therefore depress the trading price of our common stock. Additionally, these provisions could also make it difficult for stockholders to take certain actions, including electing directors who are not nominated by the current members of our board of directors or taking other corporate actions, including effecting changes in our management. Among other things, our organizational documents include provisions regarding: ● the ability of our board of directors to issue one or more series of preferred stock; ● the ability of our board of directors to issue shares of preferred stock, including " blank check " preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer; ● limitations on the liability of, and the indemnification of, our directors and officers; ● the right of our board of directors to elect a director to fill a vacancy created by the expansion of our board of directors or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on our board of directors; ● the requirement that directors may only be removed from our board of directors for cause and upon the affirmative vote of the holders of at least 66 2 / 3 % of the total voting power of then outstanding shares of our common stock; ● a prohibition on stockholder action by written consent (except for actions by the holders of our Class B common stock or as required for holders of future series of our preferred stock), which forces stockholder action to be taken at an annual or special meeting of stockholders and could delay the ability of stockholders to force consideration of a stockholder proposal or to take action, including the removal of directors; ● the requirement that a special meeting of stockholders may be called only by our board of directors, the chairman of our board of directors, or our chief executive officer, which could delay the ability of stockholders to force consideration of a proposal or to take action, including the removal of directors; ● controlling the procedures for the conduct and scheduling of our board of directors and stockholder meetings; ● the requirement for the affirmative vote of holders of at least 66 2 / 3 % of the total voting power of all of the then outstanding shares of the voting stock, voting together as a single class, to amend, alter, change or repeal certain provisions in our certificate of incorporation (the " Charter ") which could preclude stockholders from bringing matters before annual or special meetings of stockholders and delay changes in our board of directors and also may inhibit the ability of an acquirer to effect such amendments to facilitate an unsolicited takeover attempt; ● the ability of our board of directors to amend our amended and restated bylaws (the " Bylaws "), which may allow our board of directors to take additional actions to prevent an unsolicited takeover and inhibit the ability of an acquirer to amend the Bylaws to facilitate an unsolicited takeover attempt; and ● advance notice procedures with which stockholders must comply to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting, which could preclude stockholders from bringing matters

before annual or special meetings of stockholders and delay changes in our board of directors and also may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer' s own slate of directors or otherwise attempting to obtain control of our company. These anti- takeover provisions as well as certain provisions of Delaware law could make it more difficult for a third party to acquire us, even if the third party' s offer may be considered beneficial by many of our stockholders. As a result, our stockholders may be limited in their ability to obtain a premium for their shares. If prospective takeovers are not consummated for any reason, we may experience negative reactions from the financial markets, including negative impacts on the price of our common stock. These provisions could also discourage proxy contests and make it more difficult for our stockholders to elect directors of their choosing and to cause us to take other corporate actions that our stockholders desire. In addition, the provisions of the Director Nomination Agreement entered into on September 17, 2021, or the Director Nomination Agreement, with D8 Sponsor LLC provide it with certain board nomination rights which could also have the effect of delaying or preventing a change in control. The provisions of our **Charter** ~~certificate of incorporation~~ requiring exclusive forum in the Court of Chancery of the State of Delaware and the federal district courts of the United States for certain types of lawsuits may have the effect of discouraging certain lawsuits, including derivative lawsuits and lawsuits against us or our directors, officers or other employees, by limiting plaintiffs' ability to bring a claim in a judicial forum that they find favorable. Our **Charter** ~~certificate of incorporation~~ provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, in the event that such court does not have subject matter jurisdiction, any other court located in the State of Delaware with subject matter jurisdiction), will be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of us, (b) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, other employee or stockholder of ours to us or our stockholders, (c) any action asserting a claim against us or our officers or directors arising pursuant to any provision of the DGCL or the Charter or Bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, (d) any action to interpret, apply, enforce or determine the validity of the Charter or the Bylaws or any provision thereof, (e) any action asserting a claim against us or any current or former director, officer, employee, stockholder or agent of ours governed by the internal affairs doctrine of the law of the State of Delaware or (f) any action asserting an " internal corporate claim " as defined in Section 115 of the DGCL. The Charter also provides that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States will be the exclusive forum for the resolutions of any complaint asserting a cause of action arising under the Securities Act. This provision in the Charter does not address or apply to claims that arise under the Exchange Act. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder; to the extent these provisions could be construed to apply to such claims, there is uncertainty as to whether a court would enforce such provisions in connection with such claims, and our stockholders cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Any person or entity purchasing or otherwise acquiring any interest in any of our securities will be deemed to have notice of and consented to the provisions of the Charter described in the preceding paragraph. These provisions may have the effect of discouraging certain lawsuits, including derivative lawsuits and lawsuits against us and our directors and officers, by limiting plaintiffs' ability to bring a claim in a judicial forum that they find favorable. The enforceability of similar choice of forum provisions in other companies' certificates of incorporation or bylaws has been challenged in legal proceedings, and it is possible that, in connection with any applicable action brought against us, a court could find the choice of forum provisions contained in the Charter to be inapplicable or unenforceable in such action. Furthermore, if a court were to find these provisions of our certificate of incorporation inapplicable or unenforceable with respect to one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could materially adversely affect our business, financial condition and results of operations and result in a diversion of the time and resources of our management and board of directors. Changes in laws or regulations, or a failure to comply with any laws and regulations, or any litigation that we may be subject to or involved in may adversely affect our business, investments and results of operations. We are subject to laws, regulations and rules enacted by national, regional and local governments and the New York Stock Exchange on which our securities are listed. In particular, we are required to comply with certain SEC, NYSE, Delaware and other legal and regulatory requirements. Compliance with, and monitoring of, applicable laws, regulations and rules may be difficult, time- consuming and costly. Those laws, regulations and rules and their interpretation and application may also change from time to time and those changes could have a material adverse effect on our business, investments and results of operations. For example, it is difficult to predict what impact, if any, changes in federal laws and policies, including those relating to tax, environmental, labor and employment, will have on our business and industry, the economy as a whole, consumer confidence and discretionary spending. Further, a recent ruling by the Court of Chancery in Delaware introduced uncertainty as to whether Section 242 (b) (2) of the ~~Delaware General Corporation Law (" DGCL ")~~ required a separate vote in favor of at least a majority of the outstanding shares of Class A common stock, in addition to a vote in favor of at least a majority of the outstanding shares of Class A and Class B common stock, voting together as a single class, to properly authorize shares of Class A common stock. In connection with the Business Combination, our stockholders authorized an increase in the number of shares of Class A common stock under Cayman Islands law, our jurisdiction at the time of the stockholder vote. Accordingly, we do not believe that the Delaware ruling applies to us. However, any failure to comply with applicable laws, regulations or rules, as interpreted and applied, could have a material adverse effect on our business and results of operations. Claims alleging that a portion of our Class A common stock was not authorized could lead to shares of our Class A common stock being voidable and have a material adverse effect on **us** ~~the Company~~ and ~~its~~ **our** prospects. In addition, uncertainty with respect to **our** ~~the Company' s~~ capitalization resulting from the Court of Chancery' s ruling referenced above could have a material adverse impact on **us** ~~the Company~~, including on **our** ~~the Company' s~~ ability to complete equity financing transactions or issue stock- based compensation to ~~its~~ **our** employees, directors **,** and officers until the

underlying issues are definitively resolved. This uncertainty could impair **our** ~~the Company' s~~ ability to execute ~~its~~ **our** business plan, attract and retain employees, management **,** and directors and adversely affect ~~its~~ **our** commercial relationships. Although we are not a " controlled company " within the meaning of the NYSE rules, we might become a " controlled company " in the future, and, as a result, our stockholders may not have certain corporate governance protections that are available to stockholders of companies that are not controlled companies. If more than 50 % of the voting power for the election of our directors is held by an individual, a group or another company, we will become a " controlled company " within the meaning of the NYSE corporate governance standards. **As** ~~Following the completion~~ of ~~the Business Combination~~ **December 31, 2023** , Adam Sachs, Sammy Khalifa, and Barry Greene held approximately ~~80~~ **71** . ~~0~~ **8** % of the voting power of our outstanding capital stock. Messrs. Sachs, Khalifa and Greene have no agreement or arrangement to act together with respect to voting of the Class B common stock, and thus they have not formed a " group " for purposes of controlled company status. Although no individual, group or other company will have more than 50 % of our voting power, Messrs. Sachs, Khalifa and Greene may in the future decide to act as a group, and this concentration of voting power would cause us to become a " controlled company " within the meaning of the NYSE corporate governance standards. As a result, if we become a " controlled company " within the meaning of the NYSE corporate governance standards, then we will not be subject to the requirements that would otherwise require it to have: (i) a majority of independent directors; (ii) a nominating committee comprised solely of independent directors; (iii) compensation of our executive officers determined by a majority of the independent directors or a compensation committee comprised solely of independent directors; and (iv) director nominees selected, or recommended for our board of directors' selection, either by a majority of the independent directors or a nominating committee comprised solely of independent directors. Each share of Class A common stock initially entitles its holders to one vote on all matters presented to stockholders generally and each share of Class B common stock initially entitles its holders to twenty votes on all matters presented to stockholders generally. Accordingly, Messrs. Sachs, Khalifa and Greene, by virtue of their Class B common stock, hold approximately ~~80~~ **71** . ~~0~~ **8** % of the voting power of our outstanding capital stock. Accordingly, those owners, if voting in the same manner, will be able to control the election and removal of the directors of our board of directors (subject to the Director Nomination Agreement) and thereby determine corporate and management policies, including potential mergers or acquisitions, payment of dividends, asset sales, amendment of the Charter and Bylaws and other significant corporate transactions of ours for so long as they retain significant ownership of Class B common stock. This concentration of ownership may delay or deter possible changes in control of us, which may adversely affect the market price of shares of our Class A common stock. Our principal stockholders and management will exert significant influence over us and their interests may conflict with yours in the future. Each share of Class A common stock initially entitles its holders to one vote on all matters presented to stockholders generally and each share of Class B common stock initially entitles its holders to twenty votes on all matters presented to stockholders generally. Accordingly, Messrs. Sachs, Khalifa and Greene, by virtue of their Class B common stock, hold approximately ~~80~~ **71** . ~~0~~ **8** % of the voting power of our outstanding capital stock. Accordingly, those owners, if voting in the same manner, will be able to control the election and removal of the directors of our board of directors (subject to the Director Nomination Agreement) and thereby determine corporate and management policies, including potential mergers or acquisitions, payment of dividends, asset sales, amendment of the Charter and Bylaws and other significant corporate transactions of ours for so long as they retain significant ownership of Class B common stock. This concentration of ownership may delay or deter possible changes in control of us, which may adversely affect the market price of shares of our Class A common stock. ~~ITEM 1B. UNRESOLVED STAFF COMMENTS. None.~~