

REFINITIV

DELTA REPORT

10-Q

EVEREST CONSOLIDATOR ACQU

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 1232

■ CHANGES	122
■ DELETIONS	478
■ ADDITIONS	632

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **September 30, 2023** **March 31, 2024**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: **001-41100**

Everest Consolidator Acquisition Corporation

(Exact Name of Registrant as Specified in Its Charter)

State of Delaware

86-2485792

(State or Other Jurisdiction of Incorporation or Organization)

(I.R.S. Employer Identification No.)

4041 MacArthur Blvd Newport Beach, CA

92660

(Address of Principal Executive Offices)

(Zip Code)

(949) 610-0835

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value \$0.0001 per share	MNTN	New York Stock Exchange
Warrants, each whole Warrant exercisable to purchase one share of Class A common stock at a price of \$11.50 per share	MNTN WS	New York Stock Exchange
Units, each consisting of one share of Class A common stock and one-half of one redeemable warrant	MNTN.U	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-Accelerated Filer	<input checked="" type="checkbox"/>	Smaller Reporting Company	<input checked="" type="checkbox"/>
		Emerging Growth Company	<input checked="" type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of December 1, 2023 May 10, 2024, there were 13,424,131 7,392,108 shares of the registrant's Class A common stock and 4,312,500 shares of the registrant's Class B common stock issued and outstanding.

[Table of Contents](#)

TABLE OF CONTENTS

	Page
Forward-Looking Statements	2
 <u>PART I-FINANCIAL INFORMATION</u>	
Item 1. Financial Statements	4
Condensed Balance Sheets as of <u>September 30, 2023</u> <u>March 31, 2024</u> (unaudited) and <u>December 31, 2022</u> <u>December 31, 2023</u>	4
(Unaudited) Condensed Statements of Operations for the Three and Nine Months Ended <u>September 30, 2023</u> <u>March 31, 2024</u> and <u>2022</u> <u>2023</u>	5
(Unaudited) Condensed Statements of Changes in Stockholders' Deficit for the Three and Nine Months Ended <u>September 30, 2023</u> <u>March 31, 2024</u> and <u>2022</u> <u>2023</u>	6
(Unaudited) Condensed Statements of Cash Flows for the Nine Three Months Ended <u>September 30, 2023</u> <u>March 31, 2024</u> and <u>2022</u> <u>2023</u>	7
(Unaudited) Notes to Condensed Financial Statements	8
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	28 30
Item 3. Quantitative and Qualitative Disclosures About Market Risk	35 39
Item 4. Controls and Procedures	35 39

PART II-OTHER INFORMATION

Item 1. Legal Proceedings	37 42
Item 1A. Risk Factors	37 42
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds and Issuer Purchases of Equity Securities	38 42
Item 3. Defaults Upon Senior Securities	39 43
Item 4. Mine Safety Disclosures	39 43
Item 5. Other Information	39 43
Item 6. Exhibits	40 44
Signatures	42 46

[Table of Contents](#)

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q may be forward-looking statements. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to, statements regarding our or our management team's expectations, hopes, beliefs, intentions or strategies regarding the future, including the consummation of the proposed Unifund Business Combination (defined below) and related matters. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intends," "may," "might," "plan," "possible," "potential," "predict," "project," "shall," "should," "will," "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to:

- our ability to complete an initial business combination;
- our being a company with no operating history and no revenues;
- our ability to select an appropriate target business or businesses in our industry or otherwise;
- our ability to access additional sources of working capital and to continue as a going concern;
- our ability to source additional funds to satisfy income and tax liabilities;
- risks related to the material weaknesses identified in our internal control over financial reporting; reporting and the ineffectiveness of our disclosure controls and procedures;
- our expectations around the performance of a prospective target business or businesses;
- our success in retaining or recruiting, or changes required in, our officers, key employees or directors following our initial business combination;
- our officers and directors allocating their time to other businesses and potentially having conflicts of interest with our business or in approving our initial business combination;
- our ability to obtain a fairness opinion with respect to a target business, without which you may be relying solely on the judgment of our board of directors in approving a proposed business combination;
- our issuance of additional shares of capital stock or debt securities to complete a business combination, thereby reducing the equity interest of our stockholders and likely causing a change in control of our ownership;
- our ability to assess the management of a prospective target business;
- our ability to obtain additional financing to complete our initial business combination;
- the ability of our officers and directors to generate a number of potential business combination opportunities;

[Table of Contents](#)

- our ability to consummate an initial business combination due to the status of the debt and equity markets, and changes in laws or regulations, including changes imposing additional requirements on business combination transactions involving SPACs and private operating companies and the application of the 1% U.S. federal excise tax under the Inflation Reduction Act;

[Table of Contents](#)

- the risk of cyber incidents or attacks directed at us resulting in information theft, data corruption, operational disruption and/or financial loss;
- the liquidity and trading market for our public securities;
- our ability to maintain compliance with the continued listing standards of the Nasdaq Stock Market LLC;
- the lack of a market for our securities;
- the impact of any legal proceedings, investigations or inquiries instituted against the Company;
- our status as a an emerging growth company and a smaller reporting company within the meaning of the Securities Act;
- the use of proceeds not held in the trust account Trust Account or available to us from interest income on the trust account Trust Account balance;
- the trust account Trust Account not being subject to claims of third parties;
- the potential tax consequences of investing in our securities; or
- our financial performance.

The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and other risks and uncertainties discussed herein in Part II, Item 1A, "Risk Factors," and in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 December 31, 2023 filed with the Securities and Exchange Commission (the "SEC") on March 30, 2023 April 16, 2024 (the "2022" 2023 Form 10-K"), and the preliminary prospectus/proxy statement included in the Registration Statement on Form S-4 (File No. 333-273362) originally initially filed by the Company and the New PubCo (as defined herein) with the SEC on July 21, 2023, as subsequently amended, on September 5, 2023, October 4, 2023 and October 20, 2023 and as further amended from time to time, relation relating to the proposed Unifund Business Combination (the "Registration Statement"), and in our other filings with the SEC.

The forward-looking statements in this Quarterly Report on Form 10-Q are based upon information available to us as of the date of this Quarterly Report on Form 10-Q, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. incomplete. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. Investors are cautioned not to unduly rely upon these statements.

You should read this Quarterly Report on Form 10-Q and the documents that we reference herein and have filed herewith as exhibits with the understanding that our actual future results, levels of activity, performance and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. These forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

[Table of Contents](#)

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

EVEREST CONSOLIDATOR ACQUISITION CORPORATION
CONDENSED BALANCE SHEETS

	September 30, 2023 (unaudited)	December 31, 2022	March 31, 2024 (unaudited)	December 31, 2023
Assets				
Current assets:				
Cash	\$ 322,367	\$ 236,151	\$ 26,973	\$ 103,976
Prepaid expenses	50,861	307,726		
Total current assets	373,228	543,877	26,973	103,976
Marketable securities held in trust account	145,772,470	178,111,451	83,596,299	148,555,898
Total assets	\$ 146,145,698	\$ 178,655,328	\$ 83,623,272	\$ 148,659,874
Liabilities, Common Stock Subject to Possible Redemption and Stockholders' Deficit				
Current liabilities:				
Accounts payable	\$ 2,855,259	\$ 26,795	\$ 3,950,511	\$ 3,383,281
Accrued expenses	5,894,963	928,106	8,221,354	7,093,247
Loan payable - related party	1,870,000	—	3,777,500	2,752,500
Excise tax liability	410,576	—	1,082,317	410,577
Due to related party	60,000	—	120,000	90,000
Conditional guarantee liability	3,706,339	—	3,983,096	3,845,474
Income taxes payable	1,226,062	344,217	2,231,722	1,783,230
Total current liabilities	16,023,199	1,299,118	23,366,500	19,358,309
Deferred underwriting commissions	—	6,037,500		
Total liabilities	16,023,199	7,336,618	23,366,500	19,358,309
Commitments and Contingencies (Note 5)				
Class A Common stock subject to possible redemption, \$0.0001 par value, 13,424,131 and 17,250,000 shares at \$10.84 and \$10.30 redemption value as of September 30, 2023 and December 31, 2022, respectively	145,474,168	177,667,994		
Class A Common stock subject to possible redemption, \$0.0001 par value, 100,000,000 shares authorized; 7,392,108 at \$11.14 redemption value shares issued and outstanding as of March 31, 2024 and 13,424,131 shares at \$11.01 redemption value shares issued and outstanding as of December 31, 2023			82,334,453	147,811,944
Stockholders' Deficit:				
Preferred stock, \$0.0001 par value; 1,000,000 shares authorized; none issued or outstanding as of September 30, 2023 and December 31, 2022	—	—		
Class A common stock, \$0.0001 par value; 100,000,000 shares authorized; none issued and outstanding (excluding 13,424,131 and 17,250,000 shares subject to possible redemption) as of September 30, 2023 and December 31, 2022	—	—		
Class B common stock, \$0.0001 par value; 10,000,000 shares authorized; 4,312,500 shares issued and outstanding as of September 30, 2023 and December 31, 2022	431	431		
Additional paid-in capital	—	—		
Preferred stock, \$0.0001 par value; 1,000,000 shares authorized; none issued or outstanding			—	—
Class A common stock, \$0.0001 par value; 100,000,000 shares authorized; none issued and outstanding (excluding 7,392,108 and 13,424,131 shares subject to possible redemption as of March 31, 2024 and December 31, 2023, respectively)			—	—

Class B common stock, \$0.0001 par value; 10,000,000 shares authorized; 4,312,500 shares issued and outstanding			431	431
Accumulated deficit	<u>(15,352,100)</u>	<u>(6,349,715)</u>	<u>(22,078,112)</u>	<u>(18,510,810)</u>
Total Stockholders' deficit	<u>(15,351,669)</u>	<u>(6,349,284)</u>		
Total stockholders' deficit			<u>(22,077,681)</u>	<u>(18,510,379)</u>
Total Liabilities, Common Stock Subject to Possible Redemption and Stockholders' Deficit	<u>\$ 146,145,698</u>	<u>\$ 178,655,328</u>	<u>\$ 83,623,272</u>	<u>\$ 148,659,874</u>

The accompanying notes are an integral part of these unaudited condensed financial statements.

[Table of Contents](#)

EVEREST CONSOLIDATOR ACQUISITION CORPORATION
CONDENSED STATEMENTS OF OPERATIONS
(unaudited)

					For the three months ended	
	Three months ended September 30,		Nine months ended September 30,		March 31,	
	2023	2022	2023	2022	2024	2023
General and administrative expenses	\$ 3,187,663	\$ 379,100	\$ 10,400,770	\$ 1,301,314	\$ 2,062,840	\$ 2,373,223
Loss from operations	(3,187,663)	(379,100)	(10,400,770)	(1,301,314)	(2,062,840)	(2,373,223)
Other income (expense):						
Investment income held in Trust Account	2,225,997	601,740	6,294,454	851,687	1,634,399	1,897,729
Interest expense	(37,200)	—	(112,200)	—	(184,500)	—
Conditional guarantee expense	(139,134)	—	(3,706,339)	—	(137,622)	—
(Loss) income before income taxes	(1,138,000)	222,640	(7,924,855)	(449,627)		
Net loss before income taxes					(750,563)	(475,494)
Income tax provision	(456,960)	—	(1,290,625)	(109,576)	(448,492)	(382,013)
Net (loss) income	\$ (1,594,960)	\$ 222,640	\$ (9,215,480)	\$ (559,203)		
Net loss					\$ (1,199,055)	\$ (857,507)
Weighted average shares outstanding of Class A common stock subject to possible redemption, basic and diluted	15,669,750	17,250,000	16,717,461	17,250,000	11,104,122	17,250,000
Basic and diluted net (loss) income per share, Class A subject to possible redemption	\$ (0.08)	\$ 0.01	\$ (0.44)	\$ (0.03)		
Basic and diluted net loss per share, Class A subject to possible redemption					\$ (0.08)	\$ (0.04)
Weighted average shares outstanding of Class B non- redeemable common stock, basic and diluted	4,312,500	4,312,500	4,312,500	4,312,500	4,312,500	4,312,500
Basic and diluted net (loss) income per share, Class B non-redeemable common stock	\$ (0.08)	\$ 0.01	\$ (0.44)	\$ (0.03)		

Basic and diluted net loss per share, Class B non-redeemable common stock	\$ (0.08)	\$ (0.04)
---	-----------	-----------

The accompanying notes are an integral part of these unaudited condensed financial statements.

[Table of Contents](#)

EVEREST CONSOLIDATOR ACQUISITION CORPORATION
CONDENSED STATEMENTS OF CHANGES IN COMMON STOCK SUBJECT TO POSSIBLE REDEMPTION AND STOCKHOLDERS' DEFICIT
(unaudited)

	Common Stock Subject to Possible Redemption		Ordinary Shares				Additional		Shareholders' Deficit	Common Stock Subject to Possible Redemption		Ordinary Shares		A	
	Class A		Class B		Paid-in	Accumulated	Total			Class A		Class B			
	Shares	Amount	Shares	Amount	Capital	Deficit	Deficit	Shares	Amount	Shares	Amount	Shares	Amount		
Balance - December 31, 2022	17,250,000	\$177,667,994	4,312,500	\$ 431	\$ —	\$ (6,349,715)	\$ (6,349,284)								
Proceeds from sale of private Placement warrants	—	—	—	—	—	1,725,000	—	—	1,725,000						
Balance - December 31, 2023										13,424,131	\$ 147,811,944	4,312,500	\$ 431	\$ —	
Accretion of trust earnings for Class A Common stock subject to possible redemption	—	3,200,188	—	—	(1,725,000)	(1,475,188)	(3,200,188)	—	1,696,507	—	—	—	—	—	
Net loss	—	—	—	—	—	(857,507)	(857,507)	—	—						
Balance - March 31, 2023 (unaudited)	<u>17,250,000</u>	<u>180,868,182</u>	<u>4,312,500</u>	<u>431</u>	<u>—</u>	<u>(8,682,410)</u>	<u>(8,681,979)</u>								
Proceeds from sale of private Placement warrants	—	—	—	—	1,725,000	—	1,725,000								
Accretion of trust earnings for Class A Common stock subject to possible redemption	—	3,384,604	—	—	(1,725,000)	(1,659,604)	(3,384,604)	—	—	—	—	—	—	—	
Deferred underwriting fees waiver	—	—	—	—	—	6,037,500	6,037,500	—	—						
Net loss	—	—	—	—	—	(6,763,013)	(6,763,013)	—	—						
Balance - June 30, 2023 (unaudited)	<u>17,250,000</u>	<u>184,252,786</u>	<u>4,312,500</u>	<u>431</u>	<u>—</u>	<u>(11,067,527)</u>	<u>(11,067,096)</u>								
Accretion of trust earnings for Class A Common stock subject to possible redemption	—	2,279,037	—	—	—	(2,279,037)	(2,279,037)	—	—	—	—	—	—	—	
Redemptions of Class A Common stock	(3,825,869)	(41,057,655)	—	—	—	—	—	—	—	—	—	—	—	—	
Redemptions of Class A Common stock subject to possible redemption										(6,032,023)	(67,173,998)	—	—	—	
Excise tax	—	—	—	—	—	(410,576)	(410,576)	—	—	—	—	—	—	—	
Net loss	—	—	—	—	—	(1,594,960)	(1,594,960)	—	—	—	—	—	—	—	
Balance - September 30, 2023 (unaudited)	<u>13,424,131</u>	<u>\$ 145,474,168</u>	<u>4,312,500</u>	<u>\$ 431</u>	<u>\$ —</u>	<u>\$ (15,352,100)</u>	<u>\$ (15,351,669)</u>								
Balance - March 31, 2024										7,392,108	\$ 82,334,453	4,312,500	\$ 431	\$ —	

	Common Stock Subject to Possible Redemption		Ordinary Shares				Additional		Shareholders' Deficit	Common Stock Subject to Possible Redemption		Ordinary Shares		A	
	Class A		Class B		Paid-in	Accumulated	Total			Class A		Class B			
	Shares	Amount	Shares	Amount	Capital	Deficit	Deficit	Shares	Amount	Shares	Amount	Shares	Amount		

Balance - December 31, 2021	17,250,000	\$ 175,950,000	4,312,500	\$ 431	\$ —	\$ (4,790,107)	\$ (4,789,676)	17,250,000	\$ 177,667,994	4,312,500	\$ 431	\$ —
Balance - December 31, 2022												
Proceeds from sale of private placement warrants												
Accretion of trust earnings for Class A Common stock subject to possible redemption	—	17,931	—	—	—	(17,931)	(17,931)	—	3,200,188	—	—	(1,000)
Net loss	—	—	—	—	—	(394,797)	(394,797)	—	—	—	—	—
Balance - March 31, 2022 (unaudited)	17,250,000	175,967,931	4,312,500	431	\$ —	(5,202,835)	(5,202,404)					
Net loss	—	—	—	—	—	(387,046)	(387,046)					
Balance - June 30, 2022 (unaudited)	17,250,000	175,967,931	4,312,500	431	\$ —	(5,589,881)	(5,589,450)					
Accretion of trust earnings for Class A Common stock subject to possible redemption	—	408,584	—	—	—	(408,584)	(408,584)					
Net income	—	—	—	—	—	222,640	222,640					
Balance - September 30, 2022 (unaudited)	17,250,000	\$ 176,376,515	4,312,500	\$ 431	\$ —	\$ (5,775,825)	\$ (5,775,394)					
Balance - March 31, 2023						17,250,000	\$ 180,868,182					

The accompanying notes are an integral part of these unaudited condensed financial statements.

[Table of Contents](#)

EVEREST CONSOLIDATOR ACQUISITION CORPORATION
CONDENSED STATEMENTS OF CASH FLOWS
(b unaudited)

	For the nine months ended		For the nine months ended		For the three months ended March 31,	
	September 30, 2023	September 30, 2022	2024	2023		
Cash Flows from Operating Activities:						
Net loss	\$ (9,215,480)	\$ (559,203)	\$ (1,199,055)	\$ (857,507)		
Adjustments to reconcile net loss to net cash used in operating activities						
Investment income held in Trust account	(6,294,454)	(851,687)	(1,634,399)	(1,897,729)		
Conditional guarantee expense	3,706,339	—	137,622	—		
Changes in operating assets and liabilities						
Prepaid expenses	256,864	210,612	—	106,438		
Due to related party	60,000	11,711				
Accounts payable	2,828,464	32,522	567,230	944,617		
Accrued expenses	4,966,857	230,357	1,128,107	1,068,778		
Due to related party			30,000	—		
Income taxes payable	881,845	109,576	448,492	382,013		
Net cash used in operating activities	(2,809,565)	(816,112)	(522,003)	(253,390)		
Cash Flows from Investing Activities						
Investment of cash into Trust Account	(4,121,220)	—	(580,000)	(1,725,000)		
Redemption of investments	42,754,656	—	67,173,998	101,748		
Net cash provided by investing activities	38,633,436	—				

Net cash provided by (used in) investing activities		66,593,998	(1,623,252)
Cash Flows from Financing Activities:			
Proceeds from issuance of private placement warrants to Sponsor	3,450,000	—	1,725,000
Proceeds from promissory note - related party	1,870,000	—	1,025,000
Redemption of Class A shares subject to possible redemption	(41,057,655)	—	(67,173,998)
Payment of offering costs	—	(166,203)	—
Net cash used in financing activities	(35,737,655)	(166,203)	
Net cash provided by (used in) financing activities		(66,148,998)	1,725,000
Net change in cash	86,216	(982,315)	(77,003)
Cash - beginning of the period	236,151	1,454,762	103,976
Cash - end of the period	\$ 322,367	\$ 472,447	\$ 26,973
			\$ 84,509
Supplemental disclosure of income taxes paid:			
Income taxes paid	\$ 520,000	\$ —	
Supplemental disclosure of noncash investing and financing activities:			
Remeasurement of Class A shares subject to possible redemption	\$ 8,863,829	\$ —	\$ 1,696,507
Deferred underwriting fees waiver	\$ 6,037,500	\$ —	\$ 3,200,188
Excise tax liability	\$ 410,576	\$ —	\$ 671,740
			\$ —

The accompanying notes are an integral part of these unaudited condensed financial statements.

[Table of Contents](#)

EVEREST CONSOLIDATOR ACQUISITION CORPORATION
NOTES TO CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

Note 1—Description of Organization and Business Operations

Everest Consolidator Acquisition Corporation (“SPAC” or the “Company”) is a blank check company incorporated in Delaware on March 8, 2021. The Company was formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization, or similar business combination with one or more businesses (the “Business Combination”). The Company is an emerging growth company and, as such, the Company is subject to all of the risks associated with emerging growth companies.

As of **September 30, 2023** **March 31, 2024**, the Company had not commenced any operations. All activity for the period from March 8, 2021 (inception) through **September 30, 2023** **March 31, 2024** relates to the Company’s formation, activities necessary to prepare for its initial the initial public offering (the “Initial Public Offering (the Offering” or the “IPO”), and the search for activities necessary to identify a target company and prepare for an initial business combination. a Business Combination. The Company will not generate any operating revenues until after the completion of its initial Business Combination, at the earliest. The Company will generate non-operating income in the form of interest income on the proceeds derived from the IPO.

The Company has selected December 31 as its fiscal year end.

On November 29, 2021 (the “IPO Date”), the Company consummated the IPO through the issuance of 17,250,000 Units, including 2,250,000 Units sold pursuant to the full exercise of the underwriters’ over-allotment option, with each unit consisting of one share of Class A common stock, and one-half of one

redeemable warrant (the "Units"). Each whole Public Warrant entitles the holder to purchase one share of Class A common stock at an exercise price of \$11.50 per share. The Units were sold at a price of \$10.00 per Unit, generating gross proceeds to the Company of \$172,500,000, which is described in Note 3.

Simultaneously with the closing of the **Initial Public Offering**, **IPO**, the Company completed the private sale of 6,333,333 warrants (the "Private Placement Warrants") at a purchase price of \$1.50 per Private Placement Warrant (the "Private Placement"), to Everest Consolidator Sponsor, LLC, a Delaware limited liability company (the "Sponsor"), generating gross proceeds to the Company of \$9,500,000, which is described in Note 4.

Transaction costs amounted to \$10,431,114, including \$6,037,500 in deferred underwriting fees, \$3,450,000 in upfront underwriting fees, and \$943,614 in other offering costs related to the Initial Public Offering.

At As of the IPO date, a total of \$175,950,000 of the net proceeds from the IPO and the Private Placement, which **included** **includes** the \$6,037,500 deferred underwriting commission, were placed in a U.S.-based trust account (the "Trust Account") at Bank of America maintained by Equiniti Trust, LLC (f/k/a American Stock Transfer & Trust Company, LLC), acting as trustee. Except with respect to interest earned on the funds in the **trust account** **Trust Account** that may be released to the Company to pay its franchise and income taxes and expenses relating to the administration of the **trust account**, **Trust Account**, the proceeds from the IPO and the Private Placement held in the **trust account** **Trust Account** will not be released until the earliest of (i) the consummation of the Initial Business Combination or (ii) the distribution of the Trust Account proceeds as described below. The remaining proceeds outside the Trust Account may be used to pay for business, legal and accounting due diligence on prospective acquisitions and continuing general and administrative expenses.

The Company's amended and restated certificate of incorporation provides that, other than the withdrawal of interest to pay taxes, if any, none of the funds held in the Trust Account will be released until the earlier of: (i) the completion of the Initial Business Combination; (ii) the redemption of any Class A common stock shares, \$0.0001 par value, included in the Units (the "Public Shares") sold in the Initial Public Offering that have been properly tendered in connection with a stockholder vote to amend the Company's amended and restated certificate of incorporation to modify the substance or timing of its obligation to redeem 100% of such Public Shares if it does not complete the Initial Business Combination within up to **27** **33** month period (the "Combination Period") from the closing of the Initial Public Offering; and (iii) the redemption of 100% of the Class A common stock shares included in the Units sold in the Initial Public Offering if the Company is unable to complete an Initial Business Combination within the Combination Period from the closing of the Initial Public Offering (subject to the requirements of law). The proceeds deposited in the Trust Account could become subject to the claims of the Company's creditors, if any, which could have priority over the claims of the Company's public stockholders. See the below sections titled "*Extensions of the Period to Complete the Initial Business Combination*," "*2023 Special Meeting of Stockholders*" and "*2024 Special Meeting of Stockholders*" and "*Amendment for additional information related to Articles of the Combination Period*.

[Table of Contents](#)

Incorporation and Additional Extension of Period to Complete the Initial Business Combination for additional information related to the Combination Period.

The Company's management has broad discretion with respect to the specific application of the net proceeds of the Initial Public Offering, although substantially all of the net proceeds of the Initial Public Offering are intended to be generally applied toward consummating an Initial Business Combination. The Initial Business Combination must occur with one or more target businesses that together have an aggregate fair market value of at least 80% of the assets held in the Trust Account (excluding the deferred underwriting commissions and taxes payable on income earned on the Trust Account, as applicable) at the time of the agreement to enter into the Initial Business Combination. Furthermore, there is no assurance that the Company will be able to successfully effect an Initial Business Combination.

The Company, after signing a definitive agreement for an Initial Business Combination, will either (i) seek stockholder approval of the Initial Business Combination at a meeting called for such purpose in connection with which stockholders may seek to redeem their shares, regardless of whether they vote for or against the Initial Business Combination, for cash equal to their pro rata share of the aggregate amount then on deposit in the Trust Account as of two business days prior to the consummation of the Initial Business Combination, including interest but less **income and franchise** taxes payable, or (ii) provide stockholders with the opportunity to sell their Public Shares to the Company by means of a tender offer (and thereby avoid the need for a stockholder vote) for an amount in cash equal to their pro rata share of the aggregate amount then on deposit in the Trust Account as of two business days prior to the consummation of the Initial Business Combination, including interest but less **income and franchise** taxes payable. The decision as to whether the Company will seek stockholder approval of the Initial Business Combination or will allow stockholders to sell their Public Shares in a tender offer will be made by the Company, solely in its discretion, and will be based on a variety of factors such as the timing of the transaction and whether the terms of the transaction would otherwise require the Company to seek stockholder approval, unless a vote is required by law or under applicable stock exchange rules. If the Company seeks stockholder approval, it will complete its Initial Business Combination only if a majority of the outstanding shares of common stock voted are voted in favor of

the Initial Business Combination. However, in no event will the Company redeem its Public Shares in an amount that would cause its net tangible assets to be less than \$5,000,001. In such case, the Company would not proceed with the redemption of its Public Shares and the related Initial Business Combination, and instead may search for an alternate Initial Business Combination.

If the Company holds a stockholder vote or there is a tender offer for shares in connection with an Initial Business Combination, a public stockholder will have the right to redeem its shares for an amount in cash equal to its pro rata share of the aggregate amount then on deposit in the Trust Account as of two business days prior to the consummation of the Initial Business Combination, including interest but less income and franchise taxes payable. As a result, such Class A common stock shares were recorded at redemption amount and classified as temporary equity upon the completion of the Initial Public Offering, in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 480, "Distinguishing Liabilities from Equity" ("ASC 480").

Pursuant to the Company's amended and restated certificate of incorporation if the Company is unable to complete the Initial Business Combination within 33 months (pursuant to the Combination Period 2023 and 2024 Charter Amendment Proposals discussed below) from the closing of the Initial Public Offering, the Company will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but no more than ten business days thereafter subject to lawfully available funds therefor, redeem the Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account including interest earned and not previously released to pay the Company's franchise and income taxes (less up to \$100,000 of interest to pay dissolution expenses and net of taxes payable), divided by the number of then outstanding Public Shares, which redemption will completely extinguish public stockholder's rights as stockholders (including the right to receive further liquidating distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the Company's remaining stockholders and the Company's board of directors, dissolve and liquidate, subject in each case to the Company's obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law. The Sponsor and the Company's independent director nominees will not be entitled to rights to liquidating distributions from the Trust Account with respect to any Founder Shares (as defined below) held by them if the Company fails to complete the Initial Business Combination within the Combination Period of the closing of the Initial Public Offering. However, if the Sponsor or any of the Company's directors, officers or affiliates acquires Class A common stock shares in or after the Initial Public Offering, they will be entitled to liquidating distributions from the Trust Account with respect to such shares if the Company fails to complete the Initial Business Combination within the prescribed time period.

[Table of Contents](#)

In the event of a liquidation, dissolution or winding up of the Company after an Initial Business Combination, the Company's stockholders are entitled to share ratably in all assets remaining available for distribution to them after payment of liabilities and after provision is made for each class of shares, if any, having preference over the Class A common stock. The Company's stockholders have no preemptive or other subscription rights. There are no sinking fund provisions applicable to the Class A common stock, except that the Company will provide its stockholders with the opportunity to redeem their Public Shares for cash equal to their pro rata share of the aggregate amount then on deposit in the Trust Account, upon the completion of the Initial Business Combination, subject to the limitations described herein.

Extensions of the Period to Complete the Initial Business Combination

On February 28, 2023, the Company extended the period it has to consummate an initial business combination Business Combination by a period of three months, or until May 28, 2023 (the "Initial Extension"). In connection with the Initial Extension, the Company's Sponsor deposited an aggregate of \$1,725,000 into the Company's Trust Account, representing \$0.10 per public share, in exchange for the Company's issuance of to the Sponsor of 1,150,000 Private Placement Warrants, at a rate of \$1.50 per private placement warrant, with the same terms as the Private Placement Warrants issued in connection with the closing of the Company's initial public offering.

On May 26, 2023, the Company further extended the period it has to consummate an initial business combination by a period of three months, or until August 28, 2023 (the "Second Extension"). In connection with the Second Extension, the Company's Sponsor deposited an aggregate of \$1,725,000 into the Company's Trust Account, representing \$0.10 per public share, in exchange for the Company's issuance of to the Sponsor of 1,150,000 Private Placement Warrants, at a rate of \$1.50 per private placement warrant, with the same terms as the Private Placement Warrants issued in connection with the closing of the Company's initial public offering.

The Company's stockholders were not entitled to vote on or redeem their shares in connection with the Initial Extension or the Second Extension.

In order to finance connection with the Initial Extension and the Second Extension described above, the Sponsor entered into promissory notes in the aggregate amount of \$3,450,000 (\$1,725,000 for each extension) at an interest rate of 16% per annum (each, an "Extension Note" and together, the "Extension

Notes") with Everest Consolidator – A Series of Master Fund I LLC (the "Noteholder"), a third-party investor.

Conditional Guarantees

In connection with the Initial Extension and the Second Extension **described above**, the Company also entered into a Conditional Guaranty Agreement in favor of the Noteholder in respect of each Extension Note. Pursuant to each Conditional Guaranty Agreement, the Company has agreed, subject to the Company's consummation of an Initial Business Combination prior to the Termination Date (as defined in our amended and restated certificate of incorporation), to guarantee the payment by the Sponsor to the Noteholder when due of all principal and accrued interest owed to the Noteholder under the Extension Notes. The Company's obligations under each Conditional Guaranty Agreement will terminate upon the earliest to occur of (i) the payment in full or discharge and termination of the applicable Extension Note, (ii) the failure to consummate an initial business combination prior to the Termination Date or (iii) immediately prior to the voluntary or involuntary liquidation, dissolution or winding up of the Company.

Amendment to Articles 2023 Special Meeting of Incorporation and Additional Monthly Extensions of Period to Complete the Initial Business Combination Stockholders

On August 24, 2023, **we the Company** convened a special meeting of stockholders (the "Special 2023 Special Meeting") at which our stockholders approved, among other items, (i) a proposal to amend **our the Company's** amended and restated certificate of incorporation to provide **our the** board of directors with the right to extend (the "Monthly Extensions") the date by which **we have the Company has** to consummate a business combination (the "Combination Period") up to an additional six (6) times for one (1) month each time, from August 28, 2023 to February 28, 2024 (as extended, the "Extended Date") (the "Extension 2023 Extension Amendment Proposal"); (ii) a proposal to approve the adoption of an amendment (the "Trust 2023 Trust Amendment") to the Trust Agreement to allow **us the Company** to extend the Combination Period up to an additional six (6) times for one (1) month each time from August 28, 2023 to February 28, 2024, the Extended Date, by depositing into the Trust Account, for each one-month extension, the lesser of (a) \$280,000 and (b) \$0.035 per public share then outstanding (the "Trust Amendment Proposal"); and (iii) a proposal to amend **our the** amended and restated certificate of incorporation to eliminate the limitation that the Company shall not redeem public shares to the extent that such redemption would cause **our the Company's** net tangible assets to be less than \$5,000,001 (the "Redemption Limitation") to allow **us the Company** to redeem public shares irrespective of whether **such redemption would exceed the Redemption Limitation** (the "Redemption Limitation Amendment Proposal" and together with Extension Amendment Proposal and the Trust Amendment Proposal, the "Charter Amendment Proposals").

10

[Table of Contents](#)

such redemption would exceed the Redemption Limitation (the "2023 Redemption Limitation Amendment Proposal" and together with the 2023 Extension Amendment Proposal and the Trust Amendment Proposal, the "2023 Charter Amendment Proposals").

In connection with the 2023 Charter Amendment Proposals, holders of **our the Company's** public shares were given the opportunity to redeem their public shares for a pro rata share of the funds on deposit in the Trust Account as of two business days prior to such approval, including any interest earned on the **trust account Trust Account** deposits (net of taxes payable), divided by the number of then outstanding public shares. A total of 63 stockholders elected to redeem an aggregate of 3,825,869 shares of Class A Common Stock at a per share redemption price of \$10.73, totaling \$41,057,655. Following the 2023 Special Meeting and associated redemptions, **we the Company** had approximately \$144.9 million remaining in the Trust Account.

On August 28, 2023, the Company extended the period it has to consummate an initial **business combination Business Combination** by a period of one month, or until September 28, 2023 (the "First Monthly Extension"). In connection with the one-month extension, the Company's Sponsor deposited \$280,000 into the Company's Trust Account.

On September 28, 2023, the Company further extended the period it has to consummate an initial **business combination Business Combination** by a period of one month, or until October 28, 2023 (the "Second Monthly Extension"). In connection with the one-month extension, the Company's Sponsor deposited \$280,000 into the Company's Trust Account.

On October 23, 2023, the Company further extended the period it has to consummate an initial **business combination Business Combination** by a period of one month, or until November 28, 2023 (the "Third Monthly Extension"). In connection with the one-month extension, the Company's Sponsor deposited \$280,000 into the Company's Trust Account.

On November 28 2023, the Company further extended the period it has to consummate an initial **business combination Business Combination** by a period of one month, or until December 28, 2023 (the "Fourth Monthly Extension"). In connection with the one-month extension, the Company's Sponsor deposited

\$280,000 into the Company's Trust Account.

On December 28, 2023, the Company further extended the period it has to consummate an initial Business Combination by a period of one month, or until January 28, 2024 (the "Fifth Monthly Extension"). In connection with the one-month extension, the Company's Sponsor deposited \$280,000 into the Company's Trust Account.

On January 28, 2024, the Company further extended the period it has to consummate an initial Business Combination by a period of one month, or until February 28, 2024 (the "Sixth Monthly Extension"). In connection with the one-month extension, the Company's Sponsor deposited \$280,000 into the Company's Trust Account.

2024 Special Meeting of Stockholders

The Company convened a special meeting of stockholders on February 26, 2024 (the "2024 Special Meeting") at which the Company's stockholders approved the amendment to the Company's Charter to provide the Company's board of directors with the right to extend (the "Extension") the Combination Period up to an additional six (6) times for one (1) month each time, from February 28, 2024 to August 28, 2024 (as extended, the "New Extended Date") (the "2024 Extension Amendment Proposal"). The Company also entered into a second amendment (the "2024 Trust Amendment" and together with 2024 Extension Amendment Proposal, the "2024 Charter Amendment Proposals") to the Trust Agreement. The Trust Amendment, as amended, allows the Company to extend the date by which the Company has to consummate a business combination (the "Combination Period") up to an additional six (6) times for one (1) month each time from February 28, 2024 to August 28, 2024 by depositing into the Trust Account, for each one-month extension, the lesser of (a) \$150,000 and (b) \$0.030 per share (the "Extension Payment") for each then-outstanding share of the Company's Class A common stock (the "Public Shares") after giving effect to the redemption of the Public Shares for the redemption price.

In connection with the 2024 Charter Amendment Proposals, holders of the Company's public shares were given the opportunity to redeem their public shares for a pro rata share of the funds on deposit in the Trust Account, including any interest earned on the Trust Account deposits (net of taxes payable), divided by the number of then outstanding public shares. Stockholders holding 6,032,023 Public Shares exercised their right to redeem such shares for a pro rata portion of the funds in the Company's Trust Account. As a result, approximately \$67.2 million (approximately \$11.14 per Public Share) were removed from the Company's Trust Account to pay such redeeming holders of Public Shares. Following the redemptions, a total of 7,392,108 Public Shares remained outstanding and eligible for redemption, and the Company had approximately \$82.7 million remaining in the Trust Account.

[Table of Contents](#)

On February 28, 2024, the Company further extended the period it has to consummate an initial Business Combination by a period of one month, or until March 28, 2024 (the "First 2024 Monthly Extension"). In connection with the one-month extension, the Company's Sponsor deposited \$150,000 into the Company's Trust Account.

On March 26, 2024, the Company further extended the period it has to consummate an initial Business Combination by a period of one month, or until April 28, 2024 (the "Second 2024 Monthly Extension"). In connection with the one-month extension, the Company's Sponsor deposited \$150,000 into the Company's Trust Account.

On April 26, 2024, the Company further extended the period it has to consummate an initial Business Combination by a period of one month, or until May 28, 2024 (the "Third 2024 Monthly Extension"). In connection with the one-month extension, the Company's Sponsor deposited \$150,000 into the Company's Trust Account.

Business Combination Agreement

On May 19, 2023, the Company entered into a business combination agreement with Unifund Financial Technologies, Inc., a Delaware corporation ("New PubCo" or "Unifund"), Unifund Merger Sub Inc., a Delaware corporation and a direct, wholly owned subsidiary of New PubCo ("Merger Sub"), Unifund Holdings, LLC, a Delaware limited liability company ("Holdings"), Credit Card Receivables Fund Incorporated, an Ohio corporation ("CCRF"), USV, LLC, an Ohio limited liability company ("USV" and together with Holdings and CCRF, the "Target Companies"), and, solely for limited purposes set forth therein, the Sponsor (the "Business Combination Agreement"). Each of New PubCo and Merger Sub is a newly formed entity that was formed for the sole purpose of entering into and consummating the Business Combination (as defined below). The Business Combination Agreement has been approved by the boards of directors or board of managers, as applicable, of each of SPAC, the Target Companies and New PubCo.

The Target Company group specializes in the acquisition and servicing of consumer debt receivables and offers consumer data analytics and tailored recovery solutions for major banks, financial institutions and other creditors across the United States.

The terms of the Business Combination Agreement, which contains customary representations and warranties, covenants, closing conditions, and other terms relating to the transactions contemplated by the Business Combination Agreement, are summarized [below in "Structure of Business Combination".](#)

[Waiver and Consent to Business Combination Agreement](#)

On February 25, 2024, the Company, Sponsor and Holdings entered into a Waiver and Consent to Business Combination Agreement (the "Waiver and Consent"). The Waiver and Consent, among other things, permits the solicitation of, exploration and negotiation of, entry into, and consummation of (a) one or more potential sales, whether structured as a sale of equity of some or all of the Unifund Entities, a sale of some, all or substantially all of the assets of some or all of the Unifund Entities or as a merger, consolidation or otherwise, including, without limitation, sales of one or more of the receivables portfolios held by any of the Unifund Entities, which may or may not be made in the ordinary course of their respective business (a "Sale Transaction") and (b) one or more financing transactions whether structured as debt, equity or a combination thereof, to provide for among other things the refinancing of the Unifund Entities' existing senior secured credit facility (each, a "Financing Transaction" and together with any Sale Transaction, each, a "Strategic Transaction"). The Waiver and Consent further waived any past, current, or future defaults under the Business Combination Agreement caused by, arising from, or in connection with, any Strategic Transaction and further waived any and all defaults or breaches of the Business Combination Agreement by the Unifund Entities that may have occurred prior to or on the date of signing the Waiver and Consent. The Waiver and Consent resulted in amendments to the termination provisions of the Business Combination Agreement as discussed below.

[Structure of Business Combination](#)

Pursuant to the terms and subject to the conditions of the Business Combination Agreement, (i) prior to the Merger and the Contributions and Exchanges (as each is defined below), David G. Rosenberg ("Rosenberg") and ZB Limited Partnership, a Delaware limited partnership ("ZB Limited"), shall cause a reorganization of Holdings, USV and certain other members of the Target Company group to be consummated as specified in the Business Combination Agreement (the "Reorganization"), (ii) on the Closing Date (as defined below), Merger Sub will be merged with and into SPAC (the "Merger"), with SPAC continuing as the surviving corporation of the Merger (the "Surviving Corporation") and a direct, wholly-owned subsidiary of New PubCo, and (iii) on the Closing Date, pursuant to

12

[Table of Contents](#)

the Contribution and Exchange Agreement (as defined below), (a) Rosenberg will contribute 100% of the outstanding common stock of CCRF and 100% of the outstanding common stock of Unifund Corporation, an Ohio corporation ("Unifund Corp"), beneficially owned by Rosenberg prior to the Contributions and Exchanges (as defined below), in each case, to New PubCo in exchange for newly issued shares of common stock of New PubCo, par value \$0.0001 per share ("New PubCo Common Stock"), (b) Rosenberg, not individually but solely as trustee of the TER Trust ("TER Trust" and, together with Rosenberg and ZB Limited, the "Target Company Equityholders"), will contribute 100% of the equity interests in Payce, LLC, an Ohio limited liability company ("Payce"), beneficially

11

[Table of Contents](#)

owned by TER Trust prior to the Contributions and Exchanges to New PubCo in exchange for newly issued shares of New PubCo Common Stock, (c) ZB Limited will contribute all of its equity interests in each of Holdings, USV, Distressed Asset Portfolio I, LLC, an Ohio limited liability company ("DAP I"), and Distressed Asset Portfolio IV, LLC, an Ohio limited liability company ("DAP IV"), in each case, beneficially owned by ZB Limited prior to the Contributions and Exchanges to New PubCo in exchange for newly issued shares of New PubCo Common Stock and (d) immediately thereafter, New PubCo will contribute the equity interests in each of Holdings and USV to CCRF, and, as a result of the foregoing, New PubCo will directly own (x) 100% of the outstanding common stock of CCRF and 100% of the outstanding common stock of Unifund Corp beneficially owned by Rosenberg prior to the Contributions and Exchanges, (y)

100% of the equity interests of Payce held by TER Trust prior to the Contributions and Exchanges and (z) 100% of the outstanding equity interests in DAP I and DAP IV beneficially held by ZB Limited prior to the Contributions and Exchanges (constituting 25% of the outstanding equity interests of each of DAP I and DAP IV), and CCRF will own 100% of the outstanding equity interests of each of Holdings and USV (collectively, the "Contributions and Exchanges" and together with the Merger and the other transactions contemplated by the Business Combination Agreement, the "Business Combination").

In connection with the Business Combination, certain related agreements have been, or will be entered into on or prior to the closing of the Business Combination, including the New PubCo Registration Rights and Lock-up Agreement, the Sponsor Support Agreement and the Holder Support Agreement.

Consideration

The consideration to be paid to the Target Company Equityholders, SPAC stockholders and New PubCo in connection with the Business Combination will include stock consideration and is based on an enterprise value of \$238 million of the Target Companies and their respective subsidiaries.

Pursuant to the Business Combination Agreement, at the effective time of the Merger (the "Merger Effective Time"), by virtue of the Merger and without any action on the part of the Target Companies, New PubCo, SPAC or any SPAC stockholder, (i) each SPAC unit issued and outstanding immediately prior to the Merger Effective Time will be separated automatically and the holder thereof will be deemed to hold one (1) share of SPAC Class A common stock and one-half of one (1/2) SPAC warrant, (ii) each share of SPAC common stock held in treasury of SPAC immediately prior to the Merger Effective Time will be automatically canceled and no New PubCo Common Stock or other consideration will be delivered or deliverable in exchange therefor, (iii) each share of SPAC common stock issued and outstanding immediately prior to the Merger Effective Time (except for shares being cancelled pursuant to the immediately preceding clause (ii)) shall be converted into the right to receive one share of New PubCo Common Stock, with a value ascribed to each share of New PubCo Common Stock of \$10.00, (iv) each share of Merger Sub common stock that is outstanding immediately prior to the Merger Effective Time shall automatically convert into one (1) share of common stock, par value \$0.0001 per share, of SPAC in its capacity as the Surviving Corporation, (v) New PubCo shall issue a number of shares of New PubCo Common Stock to which such SPAC stockholder is entitled in respect of its shares of SPAC common stock and (vi) each SPAC warrant outstanding and unexercised immediately prior to the Merger Effective Time, whether or not vested, will cease to represent a right to acquire SPAC common stock and will convert into a warrant to purchase the same number of shares of New PubCo Common Stock.

At the effective time of the Contributions and Exchanges, by virtue of the Contributions and Exchanges and in accordance with the Contribution and Exchange Agreement, (i) Rosenberg will be issued 7,500,000 shares of New PubCo Common Stock, (ii) ZB Limited will be issued 2,250,000 shares of New PubCo Common Stock and (iii) the TER Trust will be issued 250,000 shares of New PubCo Common Stock.

The terms of the Business Combination Agreement provides that New PubCo (or to the extent applicable, Sponsor) will reimburse ZB Limited (the "Reimbursement Obligations") for certain tax liabilities incurred by the members of ZB Limited in connection with the transactions contemplated by the Business Combination Agreement on or before January 31, 2024 and January 31, 2025, as applicable. Pursuant to the terms of the Business Combination Agreement, New PubCo will use its commercially reasonable efforts to ensure that at least \$4,200,000 of cash will remain in one or more bank accounts of New PubCo or under New PubCo's control to make such

13

Table of Contents

payments to ZB Limited. In the event that the board of directors of New PubCo determines in good faith that the payment of the full amount of the Reimbursement Obligations, as applicable, would adversely affect New PubCo's ability to: (i) pay its obligations when due, (ii) conduct its business in accordance with its business plan or (iii) comply with the covenants included in the Target Companies' senior credit facility and other material contracts and indebtedness, Sponsor has agreed to transfer such shortfall amount, as applicable, to ZB Limited, in cash or in shares of New PubCo Common Stock (as determined in Sponsor's sole discretion), with each such share valued at \$10.00 per share.

12

Table of Contents

Governance of New PubCo

SPAC and New PubCo have agreed to take all necessary actions consistent with applicable laws to cause the board of directors of New PubCo as of immediately following the Closing to consist of five directors, consisting of David G. Rosenberg, W. Brian Maillian, Adam Dooley, one director designated by SPAC and one director reasonably agreed to by the Target Companies and SPAC, who is (i) independent and (ii) qualified to serve on the Audit Committee of New PubCo, in each case, as determined under applicable federal securities laws and the rules promulgated thereunder and stock exchange listing standards. Any subsequent New PubCo Board will be composed in accordance with and subject to the terms and conditions of the proposed organizational documents of New PubCo.

Conditions to Closing

The Closing is subject to certain customary conditions, including, among other things: (i) approval by SPAC's stockholders of the Business Combination Agreement, the Business Combination and certain other actions related thereto; (ii) approval by the Target Company Equityholders of the Business Combination Agreement, the Business Combination and certain other actions related thereto; (iii) the receipt of all necessary pre-closing authorizations, consents, clearances, waivers and approvals of certain Governmental Authorities, (iv) the Reorganization shall have been consummated in all material respects in accordance with the Business Combination Agreement, (v) SPAC having at least \$40,000,000 in Available Cash (defined as an amount equal to: (a) the amount of cash available to be released from the Trust Account as of immediately prior to, or concurrently with, the Closing (net of the SPAC Share Redemption Amount), plus (b) the sum of all cash and cash equivalents of SPAC on hand held outside of the Trust Account immediately prior to the Closing, plus (c) the sum of all cash net proceeds received by SPAC, New PubCo and/or the Target Companies from any Pre-Closing Financing prior to, or upon the Closing; minus (d) the aggregate amount required to repay any outstanding Working Capital Loans; minus (e) the aggregate amount of all Outstanding Target Company Transaction Expenses; minus (f) the aggregate amount of all Outstanding SPAC Transaction Expenses); and (vi) the New PubCo Common Stock to be issued in connection with the Business Combination having been approved for listing on the Listing Exchange (as defined in the Business Combination Agreement) subject only to official notice of issuance thereof.

The Closing will occur no later than three Business Days following the satisfaction or waiver of all of the closing conditions, or at such other time date and place as SPAC and the Target Companies may mutually agree in writing (such date, the "Closing Date"), provided that the Merger will not occur prior to the consummation of the Reorganization.

Termination

The Business Combination Agreement may be terminated by SPAC or the Target Companies at any time prior to the consummation of the Business Combination under certain circumstances, including, among others, (i) by written consent of SPAC and the Target Companies, (ii) by SPAC or the Target Companies if SPAC has not obtained the required approval of its stockholders, (iii) by SPAC if the Target Companies have not obtained the required approval of the applicable Target Company Equityholders by a certain specified approval deadline, (iv) by the Target Companies if the termination date of SPAC as set forth in SPAC's governing documents shall not have been extended by Sponsor in accordance with such governing documents prior to May 28, 2023, August 28, 2023, or any other applicable extension prior to December 31, 2023 (the "Agreement End Date"), and (v) prior to the receipt by SPAC of the requisite approval of its stockholders, by the Target Companies at any time in their sole and absolute discretion.

If As acknowledged by the Waiver and Consent, the Target Companies may, upon notice to the SPAC and the Sponsor, terminate the Business Combination Agreement at any time in their sole and absolute discretion if the Transactions contemplated by the Business Combination Agreement have not been consummated by December 31, 2023.

In connection with the Waiver and Consent dated as of February 25, 2024, each of the SPAC and the Sponsor acknowledged and agreed that the Agreement End Date was December 31, 2023, and, accordingly, the Target Companies may terminate the Business Combination

Table of Contents

Agreement at any time without payment of any fee or penalty, including, without limitation, payment of the Target Company Termination Fee, nor will such termination limit the SPAC and Sponsor's obligations to the Target Companies, including for the payment of fees and expenses of the Target Companies, and nothing herein or otherwise is or shall be construed as a waiver of the Target Companies' right to terminate on such basis.

Under the original terms of the agreement, if the Business Combination Agreement is validly terminated, none of the parties thereto will have any liability or any further obligation under the Business Combination Agreement, other than for actual fraud or any willful or material breach of the Business Combination Agreement occurring prior to the termination and other than certain exception and except for certain other exceptions contemplated by the Business Combination Agreement (including the terms of the Confidentiality Agreement (as defined in the Business Combination Agreement) that will survive

termination of the Business Combination Agreement. Notwithstanding the foregoing, if the Business Combination Agreement is to be terminated by the Target Companies pursuant to the applicable terms set forth in the Business Combination Agreement and any member of the Target Company group consummates an acquisition transaction within twelve months of such termination, then the Target Companies must pay Sponsor an amount equal to the greater of (i) \$4,000,000 and (ii) four percent of the aggregate fair market value of the consideration paid to the Target Company Equityholders upon the consummation of the acquisition transaction giving rise to such termination fee; provided that such fee will be capped at the lower of \$12,000,000 and all actual documented and out-of-pocket expenses incurred by SPAC in connection with the transactions contemplated by the Business Combination Agreement.

13

Table [The Waiver and Consent dated as of Contents](#)February 25, 2024 allowed the solicitation of, exploration and negotiation of, entry into, and consummation of (a) one or more potential sales, whether structured as a sale of equity of some or all of the Unifund Entities, a sale of some, all or substantially all of the assets of some or all of the Unifund Entities or as a merger, consolidation or otherwise, including, without limitation, sales of one or more of the receivables portfolios held by any of the Unifund Entities, which may or may not be made in the ordinary course of their respective business (a "Sale Transaction") and (b) one or more financing transactions whether structured as debt, equity or a combination thereof, to provide for among other things the refinancing of the Unifund Entities' existing senior secured credit facility (each, a "Financing Transaction" and together with any Sale Transaction, each, a "Strategic Transaction"). The Waiver and Consent further waived any past, current, or future defaults under the Business Combination Agreement caused by, arising from, or in connection with, any Strategic Transaction and further waived any and all defaults or breaches of the Business Combination Agreement by the Unifund Entities that may have occurred prior to or on the date of signing the Waiver and Consent.

[Registration Statement / Proxy Statement](#)

After the execution and delivery of the Business Combination Agreement, SPAC, New PubCo and the Target Companies have jointly prepared and New PubCo has filed a registration statement on Form S-4, including a preliminary Proxy Statement, with the SEC (such registration statement, as amended or supplemented, the "Registration Statement") in connection with the registration under the Securities Act of 1933, as amended, of the securities to be issued in connection with the Business Combination. As promptly as practicable after the effectiveness of the Registration Statement, SPAC will prepare and file with the SEC a proxy statement (the "Proxy Statement" and together with the Registration Statement, the "Registration Statement / Proxy Statement") to be sent to SPAC stockholders in advance of the Special Meeting for the purposes of (i) providing SPAC stockholders with a notice of the opportunity to redeem their shares of SPAC Class A common stock, and (ii) soliciting proxies from holders of SPAC Class A common stock to vote at the Special Meeting to (a) approve and adopt the Business Combination Agreement and the Business Combination; (b) approve and adopt the Merger, pursuant to which Merger Sub will be merged with and into SPAC, with SPAC continuing as the surviving corporation of the Merger and a direct, wholly-owned subsidiary of New PubCo; (c) adopt and approve each other proposal either the SEC or Listing Exchange (or the respective staff members thereof) indicates is necessary in its comments to the Registration Statement, along with other proposals deemed necessary or appropriate for the Business Combination and (d) adjourn the special meeting to a later date or dates, if necessary, to permit further solicitation and vote of proxies if, based upon the tabulated vote at the time of the special meeting, there are not sufficient votes to approve one or more proposals presented to stockholders for vote. The Registration Statement / Proxy Statement will also include a proxy statement to be sent to SPAC public warrant holders in advance of a special meeting of the SPAC public warrant holders for the purposes of soliciting proxies from holders of SPAC public warrants to vote at such meeting to (a) approve and adopt an amendment to the terms of SPAC's public warrants so that each public warrant will be convertible into the right to receive a cash payment of \$0.50 upon the Closing (the "Warrant Amendment Proposal") and (b) adjourn the special meeting to a later date or dates, if necessary, to permit further solicitation and vote of proxies if, based upon the tabulated vote at the time of the special meeting, there are not sufficient votes to approve the Warrant Amendment Proposal. The Warrant Amendment Proposal will only become effective if the Business Combination is completed.

15

[Table of Contents](#)

[Stock Exchange Listing](#)

SPAC will use its reasonable best efforts to ensure SPAC remains listed as a public company on the New York Stock Exchange (the "NYSE") or The Nasdaq Global Market ("Nasdaq"). As promptly as reasonably practicable after the date of the Business Combination Agreement and prior to the Closing Date, New PubCo will apply for the New PubCo Common Stock and New PubCo Public Warrants to be approved for listing on the NYSE or Nasdaq, as applicable.

New PubCo Registration Rights and Lock-up Agreement

At the Closing, New PubCo will enter into the New PubCo Registration Rights and Lock-up Agreement with the Target Companies, Sponsor and the Target Company Equityholders (the "New PubCo Registration Rights and Lock-up Agreement"). Pursuant to the terms of the New PubCo Registration Rights and Lock-up Agreement, the Target Companies, Sponsor and the Target Company Equityholders will be entitled to certain piggyback registration rights and customary demand registration rights.

The New PubCo Registration Rights and Lock-up Agreement provides that New PubCo will agree that within 30 calendar days after the Closing, New PubCo will use commercially reasonable efforts to file with the SEC a shelf registration statement. New PubCo will use its commercially reasonable efforts to have such shelf registration statement declared effective as soon as practicable after the filing thereof, but no later than the earlier of (i) sixty calendar days after the filing thereof (or ninety calendar days after the filing thereof if the SEC notifies New PubCo that it will "review" the registration statement) and (ii) five business days after the date New PubCo is notified (orally or in writing, whichever is earlier) by the SEC that the registration statement will not be "reviewed" or will not be subject to further review; and New PubCo will not be subject to any form of monetary penalty for its failure to do so.

The New PubCo Registration Rights and Lock-up Agreement also provides for certain lockup restrictions on certain lock-up shares. Pursuant to the New PubCo Registration Rights and Lock-up Agreement, the Company Equityholders (together with their respective successors and any permitted transferees) and Sponsor (together with its respective successors and any permitted transferees) agreed to be subject to a 365 day lock-up from the Closing Date. Such lock-up restrictions are subject to certain customary exceptions, and an early-release provision if the closing price of the New PubCo Common Stock equals or exceeds \$12.00 per share for any 20 trading days within any 30-trading day period commencing at least 150 days after the Closing Date.

14

Table of Contents

Notwithstanding the lock-up provided for in the New PubCo Registration Rights and Lock-up Agreement, ZB Limited may sell an amount of its shares of New PubCo Common Stock during the period starting on the first business day of the second month of the calendar year immediately following the Closing and ending on April 15th of the calendar year immediately following the Closing (or, if such date is not a business day, the first business day following such date) (such date, the "Limited Early Release End Date") in an aggregate amount equal to \$3,000,000 less any amount paid in cash by New PubCo or Sponsor pursuant to the terms of the Reimbursement Obligations. Any shares of New PubCo Common Stock that are not sold on or prior to the Limited Early Release End Date will, as of the day following the Limited Early Release End Date, be subject to the lock-up restrictions set forth in the New PubCo Registration Rights and Lock-up Agreement.

Contribution and Exchange Agreement

Concurrently with the execution of the Business Combination Agreement, New PubCo and the Target Company Equityholders entered into the Contribution and Exchange Agreement (the "Contribution and Exchange Agreement"), pursuant to which, among other things, (i) Rosenberg will contribute 100% of the outstanding common stock of CCRF and 100% of the outstanding common stock of Unifund Corp beneficially owned by Rosenberg prior to the Contributions and Exchanges in exchange for the issuance of New PubCo Common Stock to Rosenberg, (ii) Rosenberg, not individually but solely as trustee of TER Trust, will contribute 100% of the interests in Payce beneficially owned by TER Trust to New PubCo in exchange for the issuance of New PubCo Common Stock to TER Trust, (iii) ZB Limited will contribute all of its equity interests in each of Holdings, USV, DAP I and DAP IV to New PubCo in exchange for the issuance of New PubCo Common Stock to ZB Limited and (iv) immediately thereafter, New PubCo will contribute the equity interests in each of Holdings and USV to CCRF, and, as a result of the foregoing Contributions and Exchanges, New PubCo will directly own (a) 100% of the outstanding equity interests of CCRF and 100% of the outstanding equity interests in Unifund Corp beneficially owned by Rosenberg prior to the Contributions and Exchanges, (b) 100% of the outstanding equity interests in Payce beneficially owned by TER Trust prior to the Contributions and Exchanges and (c) 100% of the outstanding equity interests in DAP I and DAP IV beneficially held by ZB Partnership prior to the Contributions and Exchanges (constituting 25% of the outstanding Equity Interests of each of DAP I and DAP IV), and CCRF will own 100% of the outstanding equity interests in each of Holdings and USV.

16

[Table of Contents](#)

Sponsor Support Agreement

Concurrently with the execution of the Business Combination Agreement, Sponsor entered into the Sponsor Support Agreement, pursuant to which Sponsor agreed to, among other things, (i) support and vote all of its SPAC common stock to adopt and approve the Business Combination Agreement and the other documents contemplated by the Sponsor Support Agreement and the Transactions, (ii) comply with certain transfer restrictions applicable to its SPAC common stock, (iii) subject to and conditioned upon the occurrence of Closing, waive any adjustment to the conversion ratio set forth in the existing organizational documents or any other anti-dilution or similar protection with respect to Class B common stock (and any other equity securities of SPAC or New PubCo for which Class B common stock are exchanged or converted), (iv) forfeit a 1,500,000 shares of SPAC Class B common stock held by Sponsor immediately prior to the Closing and (v) subject a specified number of shares of New PubCo Common Stock issuable upon exchange of shares of SPAC Class B common stock to a performance-based vesting schedule.

The Sponsor Support Agreement will automatically terminate, without any notice or action on the part of a party, upon the valid termination of the Business Combination Agreement.

Target Company Equityholder Support Agreement

Concurrently with the execution of the Business Combination Agreement, the Target Company Equityholders entered into a Company Holder Support Agreement (the "Company Holder Support Agreement"), pursuant to which the Target Company Equityholders have agreed to, among other things, (i) support and vote (whether pursuant to a duly convened meeting of the Target Company Equityholders or pursuant to an action by written consent of the Target Company Equityholders) in favor of the adoption and approval of the Business Combination Agreement and the transactions contemplated thereby, including the Contributions and Exchanges, (ii) consummate, or cause the Target Companies to consummate, the Reorganization, (iii) be bound by certain transfer restrictions with respect to New PubCo Common Stock and (iv) take any actions necessary to effect the transactions, including the Reorganization and the Contributions and Exchanges.

The Company Holder Support Agreement will automatically terminate, without any notice or action on the part of a party, upon the valid termination of the Business Combination Agreement.

15

[Table of Contents](#)

Risks and Uncertainties

Results of operations and the Company's ability to complete an Initial Business Combination with Unifund or another target company may be adversely affected by various factors that could cause economic uncertainty and volatility in the financial markets, many of which are beyond its control. The business could be impacted by various social and political circumstances in the U.S. and around the world (including wars and other forms of conflict, including rising trade tensions between the United States and China, and other uncertainties regarding actual and potential shifts in the U.S. and foreign, trade, economic and other policies with other countries, terrorist acts, security operations and catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes and global health epidemics), may also contribute to increased market volatility and economic uncertainties or deterioration in the U.S. and worldwide. Specifically, the conflict between Russia and Ukraine and the Israel-Hamas war, and resulting market volatility could adversely affect the Company's ability to complete a business combination. In response to the conflict between Russia and Ukraine and Israel and Hamas, the U.S. and other countries have imposed sanctions or other restrictive actions which could have a material adverse effect on the Company's ability to complete a Business Combination and the value of the Company's securities. The Company cannot at this time fully predict the likelihood of one or more of the above events, their duration or magnitude or the extent to which they may negatively impact our business and our ability to complete an Initial Business Combination. The **unaudited** condensed financial statements do not include any adjustments that might result from the outcome of **this uncertainty**. **these uncertainties**.

Inflation Reduction Act of 2022

On August 16, 2022, the Inflation Reduction Act of 2022 (the "IR Act") was signed into federal law. The IR Act provides for, among other measures, a new 1% U.S. federal excise tax on certain repurchases (including redemptions) of stock by publicly traded domestic and certain domestic subsidiaries of publicly traded foreign corporations. The excise tax is imposed on the repurchasing corporation itself, not its stockholders from whom the shares are repurchased. The amount of the excise tax is generally 1% of the fair market value of the shares repurchased at the time of repurchase. For purposes of calculating the excise tax,

however, repurchasing corporations are permitted to net the fair market value of certain new stock issuances against the fair market value of stock repurchases during the same

[Table of Contents](#)

taxable year. In addition, certain exceptions apply to the excise tax. The U.S. Department of the Treasury (the "Treasury") has been given authority to provide regulations and other guidance to carry out and prevent the abuse or avoidance of the excise tax.

On December 27, 2022, the U.S. Department of the Treasury issued Notice 2023-2 (the "Notice") as interim guidance until publication of forthcoming proposed regulations on the excise tax. Although the guidance in the Notice does not constitute proposed or final Treasury regulations, taxpayers may generally rely upon the guidance provided in the Notice until the issuance of the forthcoming proposed regulations. Certain of the forthcoming proposed regulations (if issued) could, however, apply retroactively. The Notice generally provides that if a covered corporation completely liquidates and dissolves, distributions in such complete liquidation and other distributions by such covered corporation in the same taxable year in which the final distribution in complete liquidation and dissolution is made are not subject to the excise tax.

Because any redemptions of ~~our~~the Company's stock in connection with a business combination, extension vote or otherwise will occur after December 31, 2022 such redemptions, including the redemptions that took place on August 24, 2023 and February 26, 2024 in connection with the 2023 Special Meeting and 2024 Special Meeting, respectively, may be subject to the excise tax. Whether and to what extent we would be subject to the excise tax in connection with any such redemptions would depend on a number of factors, including (i) the fair market value of the such redemptions, together with any other redemptions or repurchases ~~we consummate~~the Company consummates in the same taxable year, (ii) the structure of any business combination and the taxable year in which it occurs (including redemptions in connection with the Special Meeting) Meetings, (iii) the nature and amount of any equity issuances, in connection with a business combination or otherwise, issued within the same taxable year, (iv) whether we completely liquidate and dissolve within the taxable year of such redemptions, and (v) legal uncertainties regarding how the excise tax applies to transactions like the Business Combination (and, if applicable, a complete liquidation and dissolution of the Company) and the content of final and proposed regulations and further guidance from the Treasury. The foregoing could cause a reduction in the cash available on hand to complete a Business Combination and in our ability to complete a Business Combination. The proceeds placed in the ~~trust account~~ Trust Account and the interest earned thereon will not be used to pay for the excise tax that may be levied on the Company in connection with such redemptions. The Company further confirms that it will not utilize any funds from the ~~trust account~~ Trust Account to pay any such excise tax.

On August 24, 2023, the Company's stockholders redeemed 3,825,869 ~~Series~~ Class A common stock shares for a total of \$41,057,655. On February 26, 2024, the Company's stockholders redeemed an additional 6,032,023 Class A common stock shares for a total of \$67,173,998. The Company evaluated the classification and accounting of the stock ~~redemption~~ redemptions under ASC 450, "Contingencies". ASC 450 states that when a loss contingency exists the likelihood that the future events will confirm the loss or impairment of an asset or the incurrence of a liability can range from probable to remote. A contingent liability must be reviewed at each reporting period to determine appropriate treatment. The

[Table of Contents](#)

Company evaluated the current status and probability of ~~completing a Business Combination as of September 30, 2023~~the excise taxes becoming payable and determined that a contingent liability should be calculated and recorded. As of September 30, 2023 During the three months ended March 31, 2024, the Company recorded \$410,576 accrued \$671,740 of excise tax liability calculated related to the February 26, 2024 redemptions. The excise tax liability totaled \$1,082,317 and \$410,577 as 1% of shares redeemed. March 31, 2024 and December 31, 2023, respectively.

Liquidity and Going Concern

As of ~~September 30, 2023~~ March 31, 2024, the Company held \$322,367 \$26,973 outside of the Trust Account (reserved for tax payments) and had a working capital deficit of \$14,273,909, which excludes current liabilities associated with franchise and income taxes, \$23,339,527, which is not sufficient to allow the

Company to operate for at least the next 12 months from the issuance of these **unaudited** condensed financial statements, assuming that the proposed Business Combination with Unifund or another target company is not consummated during that time. Giving effect to the **Monthly Extensions pursuant to the 2024 Charter Amendment Proposals** discussed above, the Company has until **December 28, 2023** **August 28, 2024** to complete an initial **business combination**. **Business Combination**, subject to the Company making the required **Trust Account deposits**. If an initial **business combination** **Business Combination** is not consummated by **December 28, 2023** **August 28, 2024**, absent any further extension, there will be a mandatory liquidation and subsequent dissolution of the Company. The Company may need to raise additional capital through loans or additional investments from its Sponsor, stockholders, officers, directors, or third parties. The Company's officers, directors and Sponsor may, but are not obligated to, loan the Company funds, from time to time or at any time, in whatever amount they deem reasonable in their sole discretion, to meet the Company's working capital **needs**, **needs** and provide for the required **monthly extension** **Trust Account deposits**. Accordingly, the Company may not be able to obtain additional financing. If the Company is unable to raise additional capital, it may be required to take additional measures to conserve liquidity, which could include, but not necessarily be limited to, curtailing operations, suspending the pursuit of a potential transaction, and reducing overhead expenses. The Company cannot provide any assurance that new financing will be available to it on commercially acceptable terms, if at all.

[Table of Contents](#)

The Company believes that the proceeds raised in the initial public offering, and the funds potentially available from loans from the sponsor or any of their affiliates will be sufficient to allow the Company to meet the expenditures required for operating its business. However, if the estimate of the costs to complete the Business Combination is less than the actual amount necessary to do so, the Company may have insufficient funds available to operate its business prior to the initial Business Combination. Moreover, the Company may need to obtain additional financing either to complete the Business Combination or because the Company becomes obligated to redeem a significant number of public shares upon completion of the Business Combination, in which case the Company may issue additional securities or incur debt in connection with such Business Combination.

Management has determined that the liquidity condition, potential mandatory liquidation and subsequent dissolution raises substantial doubt about the Company's ability to continue as a going concern. These **unaudited** condensed financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern.

*Franchise and Income Tax **Withdrawal** Withdrawals*

In August 2023, the Company withdrew \$1,075,252 of interest and dividend income earned in the Trust Account for payment of the Company's franchise and income tax liabilities. **As** **The withdrawn funds were restricted for payment of September 30, 2023, none** **such tax liabilities under the Company's certificate incorporation and the terms of the \$1,075,252 had been remitted to satisfy franchise and income tax liabilities**. **Trust Agreement**. Through September 30, 2023, the Company mistakenly used \$752,885 of these funds for the payment of general operating expenses. **As of September 30, 2023, these funds (totaling \$752,885) remain payable for franchise and income tax purposes**. In consultation with counsel, management determined that this use of funds was not in accordance with the **Trust Agreement** and in order to remedy it, **management will use funds** **Agreement**. The Company disbursed an aggregate of \$322,267, the balance of the funds withdrawn from the Trust Account, for payment of general operating expenses between October 1, 2023 and November 6, 2023, also counter to the terms of the **Trust Agreement**. As of the date of this **Quarterly Report** on Form 10-Q, none of the \$1,075,252 had been remitted to satisfy franchise and income tax liabilities and such liabilities remain outstanding. The Company intends to raise additional funds prior to the closing of the Business Combination to satisfy income and franchise tax liabilities. In the event that a **Business Combination** does not **associated with** **close**, any loan made to the **trust** **Company** for the purpose of paying overdue tax obligations that should have been paid using the **Withdrawn Trust Funds** would be repaid only out of funds held outside the Trust Account. On May 8, 2024, the Sponsor executed a written commitment (the "Commitment Letter") to pay any amount that the Company is unable to pay that is owed to the Internal Revenue Service for federal income tax **liabilities**. **Those** or to the Division of Corporations of the State of Delaware for franchise tax, **liabilities** remain accrued including upon and following a liquidation of the Trust Account, as a result of **September 30, 2023**, the use **Withdrawn Trust Funds** for general corporate purposes. The Company believes that the Sponsor's obligations under the **Commitment Letter** accomplish the same outcome as restoring funds to the Trust Account in the event that the Trust Account is liquidated because the amounts withdrawn from the Trust Account in the third quarter of 2023 were intended for the payment of tax obligations.

Note 2—Summary of Significant Accounting Policies

During the **nine-month** **three-month** period ended **September 30, 2023** **March 31, 2024**, there were no changes to the significant accounting policies in relation to what was described in the Company's Annual Report on Form 10-K for the fiscal year ended **December 31, 2022** **December 31, 2023** (the **2022** **2023** Form 10-K") other than what is described under "Guarantee" below.

Basis of Presentation

The accompanying unaudited condensed financial statements of the Company have been prepared on the same basis as the annual audited financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring

17

[Table of Contents](#)

adjustments, necessary for the fair presentation of the Company's condensed financial position as of **September 30, 2023** **March 31, 2024** and its results of operations for the three-month and nine-month periods ended **September 30, 2023** **March 31, 2024** and **2022, 2023**, and changes in stockholders' deficit and cash flows for the periods presented. The results disclosed in the **unaudited condensed statement of operations for the three-months and nine-months ended September 30, 2023** **March 31, 2024** are not necessarily indicative of the results that may be expected for the year ending December 31, 2023. These unaudited condensed financial statements should be read in conjunction with the audited financial statements and notes thereto for the year ended **December 31, 2022** **December 31, 2023** filed with the Securities and Exchange Commission.

Emerging Growth Company

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and it 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

19

[Table of Contents](#)

to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a non-binding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that an emerging growth 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. The Company has 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, the Company, 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 the Company's **unaudited** condensed financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Marketable securities held in the Trust Account

As of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, the Company's portfolio of investments held in the Trust Account are comprised solely of securities held in a mutual fund that invests in U.S. Treasury securities with a maturity of 180 days or less. These securities are presented on the **Condensed Balance Sheets** **unaudited condensed balance sheets** at their fair value at the end of each reporting period. Earnings on these securities are included in investment income in the accompanying **Condensed Statements** **unaudited condensed statements** of **Operations** **operations** and are automatically reinvested. The fair value for these securities is determined using quoted market prices in active markets.

During the three and nine months ended **September 30, 2023**, **March 31, 2024** and **2023**, the Company withdrew \$1,075,252 and \$1,697,001, respectively, of did not withdraw any dividend and interest income from the Trust Account for payment of franchise and income tax obligations (see Note 4). As of the date of

this Quarterly Report on Form 10-Q, \$1,075,252 of the funds withdrawn during the year ended December 31, 2023 have not been remitted to satisfy franchise and income tax liabilities and such liabilities remain outstanding.

Class A Common Stock Subject to Possible Redemption

The Company accounts for its common stock subject to possible redemption in accordance with the guidance in ASC 480, *Shares of common* Topic 480 "Distinguishing Liabilities from Equity". Common stock subject to mandatory redemption, if any, ~~are~~ is classified as a liability instrument and is measured at fair value. Conditionally redeemable common stock (including common stock that features redemption rights that is either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company's control) is classified as temporary equity. At all other times, common stock is classified as stockholders' equity. The Company's common stock features certain redemption rights that are considered to be outside of the Company's control and subject to occurrence of uncertain future events. Accordingly, as of ~~September 30, 2023~~ ~~March 31, 2024~~ and ~~December 31, 2022~~ December 31, 2023, common stock subject to possible redemption is presented at redemption value as temporary equity, outside of the stockholders' equity section of the Company's ~~unaudited~~ condensed balance sheet.

The Class A common stock subject to possible redemption reflected on the ~~unaudited~~ condensed balance sheet as of March 31, 2024 is reconciled in the following table:

Gross proceeds	\$ 172,500,000
<i>Less:</i>	
Class A common stock issuance costs	(10,100,667)
Fair value of Public Warrants at issuance	(4,672,162)
Redemptions of Class A common stock	(108,231,653)
<i>Plus:</i>	
Re-measurement of carrying value to redemption value	18,222,829
Accretion of trust earnings	14,616,106
Class A common stock subject to possible redemption	\$ 82,334,453

1820

[Table of Contents](#)

The Class A common stock subject to possible redemption reflected on the ~~unaudited~~ condensed balance sheet as of ~~September 30, 2023~~ are ~~December 31, 2023~~ is reconciled in the following table:

Gross proceeds	\$ 172,500,000	\$ 172,500,000
<i>Less:</i>		
Class A common stock issuance costs	(10,100,667)	(10,100,667)
Fair value of Public Warrants at issuance	(4,672,162)	(4,672,162)
Redemptions of Class A common stock	(41,057,655)	(41,057,655)
<i>Plus:</i>		
Re-measurement of carrying value to redemption value	18,222,829	18,222,829
Accretion of trust earnings	10,581,823	12,919,599
Class A common stock subject to possible redemption	\$ 145,474,168	\$ 147,811,944

The Class A common stock Concentration of Credit Risk

Financial instruments that potentially subject the Company to possible redemption reflected concentration of credit risk consist cash accounts in financial institutions which, at times may exceed the Federal deposit insurance coverage of \$250,000. As of March 31, 2024 and December 31, 2023, the Company has not experienced losses on its cash accounts and management believes the ~~condensed balance sheet as of December 31, 2022~~ are reconciled in the following table:

Gross proceeds	\$ 172,500,000
<i>Less:</i>	

Class A common stock issuance costs	(10,100,667)
Fair value of Public Warrants at issuance	(4,672,162)
<i>Plus:</i>	
Re-measurement of carrying value to redemption value	18,222,829
Accretion of trust earnings	1,717,994
Class A common stock subject to possible redemption	\$ 177,667,994

Fair Value Measurements

Fair value is defined as the price that would be received for sale of an asset or paid for transfer of a liability, in an orderly transaction between market participants at the measurement date. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). These tiers include:

- Level 1, defined as observable inputs such as quoted prices for identical instruments in active markets;
- Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and
- Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

In some circumstances, the inputs used to measure fair value might be categorized within different levels of the fair value hierarchy. In those instances, the fair value measurement is categorized in its entirety in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement. As of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, the Company only held Level 1 financial instruments, which are the Company's Marketable securities held in Trust Account.

21

[Table of Contents](#)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate, could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ significantly from those estimates.

Warrant Instruments

The Company accounts for its Public and Private warrants as equity-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in ASC 480, **Distinguishing Liabilities from Equity** ("ASC 480") and ASC 815, Derivatives and Hedging ("ASC 815"). The assessment

19

[Table of Contents](#)

considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's own common stock, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding. In that respect, the Private Warrants, as well as any warrants underlying additional units the Company issues to the Sponsor, officers, directors, initial stockholders, or their affiliates in payment of Working Capital Loans made to the Company, are identical to the warrants underlying the Units being offered in the IPO.

The Public Warrants (see Note 6) and Private Placement Warrants (see Note 4) were accounted for as equity instruments as they meet all of the requirements for equity classification under ASC 815.

Business Combination Costs

Costs incurred in relation to a potential Business Combination may include legal, accounting, and other expenses. Any such costs are expensed as incurred. The Company incurred approximately ~~\$2.4~~ ~~\$1.6~~ million and ~~\$8.4~~ million ~~\$0~~ of Business Combination costs (including all costs incurred by Unifund in connection with the Business Combination Agreement in accordance with its terms), for the ~~three~~-three months ended March 31, 2024 and ~~nine~~-months ended September 30, 2023, 2023, respectively.

Net (Loss) Income Loss Per Common Stock

The Company complies with accounting and disclosure requirements of FASB ASC Topic 260, "Earnings Per Share." Net (loss) income loss per share of common stock is computed by dividing net (loss) income loss by the weighted average number of shares outstanding for the period. The Company's Condensed Statements unaudited condensed statements of Operations operations include a presentation of (loss) income loss per ordinary share subject to redemption in a manner similar to the two-class method of (loss) income loss per share. Accretion associated with the redeemable Class A common stock is excluded from earnings per share as the redemption value approximates fair value.

Table of Contents

The Company's Public Warrants (see Note 6) and Private Placement Warrants (see Note 6) could, potentially, be exercised or converted into common shares and then share in the earnings of the Company. However, these warrants were excluded when calculating diluted (loss) income loss per share because such inclusion would be anti-dilutive for the periods presented. As a result, diluted (loss) income loss per share is the same as basic (loss) income loss per share for the periods presented. A reconciliation of net (loss) income loss per ordinary share is as follows:

	For the three months ended	
	September 30, 2023	March 31, 2024
Redeemable Class A Common Stock		
<i>Numerator: Net loss allocable to Redeemable Class A Common Stock</i>	\$ (1,250,741)	(863,643)
<i>Denominator: Weighted Average Shares Outstanding, Redeemable Class A Common Stock</i>	15,669,750	11,104,122
Basic and diluted net loss per share, Redeemable Class A Common Stock	<u><u>\$ (0.08)</u></u>	
Non-Redeemable Class B Common Stock		
<i>Numerator: Net loss allocable to non-redeemable Class B Common Stock</i>	\$ (344,219)	(335,412)
<i>Denominator: Weighted Average Shares Outstanding Non-Redeemable Class B Common Stock</i>	4,312,500	
Basic and diluted net loss per share, Non-Redeemable Class B Common Stock	<u><u>\$ (0.08)</u></u>	
	For the nine three months ended	
	September 30, 2023	March 31, 2023
Redeemable Class A Common Stock		
<i>Numerator: Net loss allocable to Redeemable Class A Common Stock</i>	\$ (7,325,712)	(686,006)
<i>Denominator: Weighted Average Shares Outstanding, Redeemable Class A Common Stock</i>	16,717,461	17,250,000
Basic and diluted net loss per share, Redeemable Class A Common Stock	<u><u>\$ (0.44)</u></u>	(0.04)
Non-Redeemable Class B Common Stock		
<i>Numerator: Net loss allocable to non-redeemable Class B Common Stock</i>	\$ (1,889,768)	(171,501)

<i>Denominator: Weighted Average Shares Outstanding Non-Redeemable Class B Common Stock</i>	4,312,500
Basic and diluted net loss per share, Non-Redeemable Class B Common Stock	\$ (0.44) (0.04)

[Table of Contents](#)

	For the three months ended
	September 30, 2022
Redeemable Class A Common Stock	
<i>Numerator: Net income allocable to Redeemable Class A Common Stock</i>	\$ 178,112
<i>Denominator: Weighted Average Shares Outstanding, Redeemable Class A Common Stock</i>	17,250,000
Basic and diluted net income per share, Redeemable Class A Common Stock	\$ 0.01
Non-Redeemable Class B Common Stock	
<i>Numerator: Net income allocable to non-redeemable Class B Common Stock</i>	\$ 44,528
<i>Denominator: Weighted Average Shares Outstanding Non-Redeemable Class B Common Stock</i>	4,312,500
Basic and diluted net income per share, Non-Redeemable Class B Common Stock	\$ 0.01
	For the nine months ended
	September 30, 2022
Redeemable Class A Common Stock	
<i>Numerator: Net loss allocable to Redeemable Class A Common Stock</i>	\$ (447,362)
<i>Denominator: Weighted Average Shares Outstanding, Redeemable Class A Common Stock</i>	17,250,000
Basic and diluted net loss per share, Redeemable Class A Common Stock	\$ (0.03)
Non-Redeemable Class B Common Stock	
<i>Numerator: Net loss allocable to non-redeemable Class B Common Stock</i>	\$ (111,841)
<i>Denominator: Weighted Average Shares Outstanding Non-Redeemable Class B Common Stock</i>	4,312,500
Basic and diluted net loss per share, Non-Redeemable Class B Common Stock	\$ (0.03)

Income Taxes

Income taxes are recorded in accordance with ASC 740, Income Taxes ("ASC 740"), which provides for deferred taxes using an asset and liability approach. The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the **unaudited** condensed financial statements or tax returns. Deferred tax assets and liabilities are determined based on the difference between the **unaudited** condensed financial statements and tax basis of assets and liabilities and net operating and capital loss carryforwards using enacted tax rates in effect for the year in which the differences are expected to reverse. Valuation allowances are provided, if based upon the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. The valuation allowance is reduced when it is determined that it is more likely than not that the deferred tax asset will be realized.

The Company accounts for uncertain tax positions in accordance with the provisions of ASC 740. When uncertain tax positions exist, the Company recognizes the tax benefit of tax positions to the extent that the benefit would more likely than not be realized assuming examination by the taxing authority. The determination as to whether the tax benefit will more likely than not be realized is based upon the technical merits of the tax position as well as consideration of the available facts and circumstances. The Company recognizes any interest and penalties accrued related to unrecognized tax benefits and **underpaid income taxes as income tax expense.** The Company files income tax returns in the U.S. federal jurisdiction and various state and local jurisdictions. The Company is subject to income tax examinations since inception by various taxing authorities.

There were no unrecognized tax benefits as of March 31, 2024 and December 31, 2023. As of March 31, 2024 and December 31, 2023, the Company has not recorded any amounts related to uncertain tax positions.

Guarantee

The Company accounts for the Conditional Guarantees in accordance with the guidance in ASC 460, Guarantees ("ASC 460") as the Conditional Guarantees contingently require the Company to make payments to a guaranteed party. As required by ASC 460, at the inception, the Company assessed the need to recognize a liability for the contingent component of the guaranteee (the obligation to make

23

[Table of Contents](#)

future payments upon the occurrence of certain events) in accordance with the guidance in ASC 450, Contingencies ("ASC 450"). Under ASC 450, a Company is required to record a liability if it is probable that the Company would have to make a payment under the guarantee, and the payment can be reasonably estimated. See Note 4 for further detail as it relates to the Conditional Guarantees.

As of **September 30, 2023** **March 31, 2024** and **December 31, 2023**, the Company deemed that the payment of the Extension Notes on behalf of the Sponsor was probable and recorded a liability of **\$3,706,339**, **\$3,983,096** and **\$3,845,474**, respectively, including **\$3,450,000** of principal, and **\$256,339** **\$533,096** and **\$395,474** of accrued interest related to the Extension Notes through **September 30, 2023**, **March 31, 2024** and **December 31, 2023**, respectively.

21

[Table of Contents](#)

Recent Accounting Pronouncements

In August 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-06, Debt — Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity's Own Equity (Subtopic 815-40) ("ASU 2020-06") to simplify accounting for certain financial instruments. ASU 2020-06 eliminates the current models that require separation of beneficial conversion and cash conversion features from convertible instruments and simplifies the derivative scope exception guidance pertaining to equity classification of contracts in an entity's own equity. The new standard also introduces additional disclosures for convertible debt and freestanding instruments that are indexed to and settled in an entity's own equity. ASU 2020-06 amends the diluted earnings per share guidance, including the requirement to use the if-converted method for all convertible instruments. ASU 2020-06 is effective January 1, 2024 and should be applied on a full or modified retrospective basis, with early adoption permitted beginning on January 1, 2021. Management is currently evaluating the new guidance but does not expect the adoption of this guidance to have a material impact on its financial statements.

In December 2023, the Company's FASB issued ASU 2023-09 "Income Taxes (Topic 740): Improvements to Income Tax Disclosures," that addresses requests for improved income tax disclosures from investors that use the financial statements to make capital allocation decisions. Public entities must adopt the new guidance for fiscal years beginning after December 15, 2024. The amendments in this ASU must be applied on a retrospective basis to all prior periods presented in the financial statements and early adoption is permitted. The Company is currently evaluating the potential impact that the adoption of this standard will have on its financial statements.

Management does not believe that any other recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on our **unaudited** condensed financial statements.

Note 3—Initial Public Offering

Pursuant to the Initial Public Offering on **November 29, 2021**, the Company sold 17,250,000 Units at a purchase price of \$10.00 per Unit, including 2,250,000 Units sold pursuant to the full exercise of the underwriters' option to purchase additional Units to cover over-allotments. Each Unit consists of one share of Class A common stock, an aggregate of 17,250,000 shares, and one-half of one redeemable warrant ("Public Warrant"), an aggregate of 8,625,000 public warrants. Each whole Public Warrant entitles the holder to purchase one share of Class A common stock at an exercise price of \$11.50 per share.

Note 4—Related Party Transactions

Class B Founder Shares

In March 2021, the sponsor **Sponsor** acquired 5,750,000 founder shares (the "Founder Shares") for an aggregate purchase price of \$25,000, consisting of 5,750,000 Class B founder shares (up to an aggregate of 750,000 of which were subject to forfeiture depending on the extent to which the underwriter's over-allotment option is exercised). **Prior to the initial investment in the company of \$25,000 by our sponsor, we had no assets, tangible, or intangible. The per share purchase price of the founder shares was determined by dividing the amount of cash contributed to the company by the aggregate number of founder shares issued.**

On September 24, 2021, the Company repurchased 1,437,500 shares of **Class** **class** B common stock from the Sponsor for \$6,250. The underwriters exercised their over-allotment option in full simultaneously in connection with the **IPO**, resulting in none of **IPO**. As a result, the **Class B Common Stock then outstanding being subject** 562,500 shares are no longer subjected to forfeiture.

The founder shares are designated as Class B common stock and will automatically convert into shares of our Class A common stock (which such shares of Class A common stock delivered upon conversion will not have redemption rights or be entitled to liquidating distributions from the **trust account** **Trust Account** if we do not consummate an initial business combination) at the time of our initial business combination at a ratio such that the number of shares of Class A common stock issuable upon conversion of all founder shares will

24

[Table of Contents](#)

equal, in the aggregate, on an as-converted basis, 20% of the sum of (i) the total number of all shares of common stock issued and outstanding upon completion of this offering, plus (ii) the total number of shares of Class A common stock issued or deemed issued or issuable upon conversion or exercise of any equity-linked securities or rights issued or deemed issued, by the Company in connection with or in relation to the consummation of the initial business combination, excluding any shares of Class A common stock or equity-linked securities exercisable for or convertible into shares of Class A common stock issued, deemed issued, or to be issued, to any seller in the initial business combination and any private placement warrants issued to our sponsor, its affiliates or any member of our management team upon conversion of working capital loans.

Pursuant to the Sponsor Support Agreement, discussed in Note 1 – *Description of Organization and Business Operations*, immediately prior to (and contingent upon) the closing of the Business Combination, the Sponsor has agreed to forfeit an aggregate of 1,500,000 shares of the Company's Class B Common Stock for no consideration.

22

[Table of Contents](#)

As of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, there were 4,312,500 shares of Class B common stock **were** **shares** issued and outstanding.

Private Placement Warrants

Simultaneously with the closing of the Initial Public Offering, the Company completed a sale of 6,333,333 warrants (the "Private Placement Warrants") at a purchase price of \$1.50 per Private Placement Warrant (the "Private Placements"), to the Sponsor and Directors, generating gross proceeds to the Company of \$9,500,000. Each whole Private Placement Warrant is exercisable for one whole share of the Company's Class A common stock at a price of \$11.50 per share. A portion of the purchase price of the Private Placement Warrants was added to the proceeds from the Initial Public Offering to be held in the Trust Account. If the Initial Business Combination is not completed within **33 months (pursuant to the Combination Period 2023 and 2024 Charter Amendment Proposals)** from the closing of the Initial Public Offering, the proceeds from the sale of the Private Placement Warrants held in the Trust Account will be used to fund the redemption of the Public Shares (subject to the requirements of applicable law) and the Private Placement Warrants will expire worthless. The Private Placement Warrants will be non-redeemable and exercisable on a cashless basis so long as they are held by the initial purchasers of the Private Placement Warrants or their permitted transferees.

In connection with the Initial and Second Extension Extensions the Company issued an additional 2,300,000 Private Placement Warrants in aggregate, at a rate of \$1.50 per private placement warrant, with the same terms as the Private Placement Warrants issued in connection with the closing of the Company's IPO.

The purchasers of the Private Placement Warrants agreed, subject to limited exceptions, to not transfer, assign or sell any of their Private Placement Warrants (except to permitted transferees) until 30 days after the completion of the initial Business Combination.

Guarantee Agreements

On February 28, 2023 and May 26, 2023, in connection with the Initial Extension and Second Extension, respectively, the Company's Sponsor deposited an aggregate of \$3,450,000 into the Company's Trust Account, representing \$0.10 per public share, in exchange for the Company's issuance of to the Sponsor of 2,300,000 Private Placement Warrants, at a rate of \$1.50 per private placement warrant, with the same terms as the Private Placement Warrants issued in connection with the closing of the Company's initial public offering.

In connection with the Initial Extension and the Second Extension, the Company also entered into a Conditional Guaranty Agreement in favor of the Noteholder in respect of each Extension Note. Note described above. Pursuant to each Conditional Guaranty Agreement, the Company has agreed, subject to the Company's consummation of an Initial Business Combination prior to the Termination Date, to guarantee the payment by the Sponsor to the Noteholder when due of all principal and accrued interest owed to the Noteholder under the respective Extension Note. The Company's obligations under each Conditional Guaranty Agreement will terminate upon the earliest to occur of (i) the payment in full or discharge and termination of the applicable Extension Note, (ii) the failure to consummate an initial business combination prior to the Termination Date or (iii) immediately prior to the voluntary or involuntary liquidation, dissolution or winding up of the Company.

Administrative Support Agreement

The Company has entered into an Administrative Services Agreement pursuant to which the Company is obligated to pay an affiliate of the Sponsor a total of \$10,000 per month, until the earlier of the completion of the initial Business Combination and the liquidation of the

25

[Table of Contents](#)

trust assets, for office space, secretarial and administrative services. Upon completion of the initial Business Combination or liquidation, the Company will cease paying these monthly fees.

For the for each of the three and nine month periods ended September 30, 2023 March 31, 2024 and 2022, 2023, the Company expensed \$30,000 and \$90,000, respectively, for the services provided through the Administrative Services Agreement. As of September 30, 2023, March 31, 2024 and December 31 2023, the balance due under the agreement was \$60,000 \$120,000 and \$90,000, respectively, and was included in Due to related party. As of December 31 2022, the Company had no amounts due to the Sponsor related to the Administrative Services Agreement.

23

[Table of Contents](#)

Related Party Loans

On May 24, 2021, the Company and the Sponsor entered into a loan agreement, whereby the Sponsor agreed to loan the Company an aggregate of \$300,000 to cover expenses related to the Initial Public Offering pursuant to a promissory note (the "Loan"). This loan was non-interest bearing and payable on the earlier of June 30, 2022 or the completion of the Initial Public Offering (the "Maturity Date"). There were no amounts outstanding related to the Loan as of September 30, 2023 March 31, 2024 as the Loan had been fully paid at the IPO, IPO Date.

Working Capital Loans

In order to finance transaction costs in connection with a Business Combination, the Sponsor or an affiliate of the Sponsor, or certain of the Company's officers and directors may, but are not obligated to, loan the Company funds as may be required ("Working Capital Loans"). If the Company completes a Business Combination, the Company would repay the Working Capital Loans out of the proceeds of the Trust Account released to the Company. Otherwise, the Working Capital Loans would be repaid only out of funds held outside the Trust Account. In the event that a Business Combination does not close, the Company may use a portion of proceeds held outside the Trust Account to repay the Working Capital Loans but no proceeds held in the Trust Account would be used to repay the Working Capital Loans. The Working Capital Loans would either be repaid upon consummation of a Business Combination or, at the lender's discretion, up to \$1,500,000 of such Working Capital Loans may be convertible into warrants of the post Business Combination entity at a price of \$1.50 per warrant. The warrants would be identical to the Private Placement Warrants. As of March 31, 2024 and December 31, 2023, no amounts were due under the Working Capital Loans.

Loans Payable

On May 7, 2023, the Company issued an unsecured promissory note (the "Promissory Note") in the principal amount of up to \$1,500,000 to the Sponsor. The Promissory Note obliges the Company to repay the total amount drawn (which will be in the form of a non-convertible working capital loan), together with accrued interest at the rate of 6% on the total amount drawn (the "Interest"), provided that the total repayment amount shall not exceed \$1,500,000 plus the applicable Interest. The Note is repayable in full on the earlier of December 31, 2023 or the consummation of the Company's initial business combination.

On December 7, 2023, the Company the Sponsor amended and restated the Promissory Note (the "Amended" "First Amended Promissory Note") to, among other things (i) increase the principal amount that may be drawn upon by the Company to up to \$3,500,000, (ii) amend the rate at which interest accrues on outstanding principal amounts to (a) 6.0% for any principal amount drawn down up to \$1,500,00 \$1,500,000 and (b) 18.0% for any principal amount drawn down greater than \$1,500,000, and (iii) amend the maturity date to the earlier of (a) the closing of the Business Combination or (b) February 28, 2024.

On March 26, 2024, the Company further amended and restated the Promissory Note (the "Second A&R Promissory Note") to, among other things (i) increase the principal amount that may be drawn upon by the Company to up to \$4,000,000, and (ii) amend the maturity date to the earlier of (a) the closing of the Business Combination or (b) May 7, 2024.

Through September 30, 2023 March 31, 2024 and December 31, 2023, the Company received an aggregate of \$1,870,000 \$3,777,500 and \$2,752,500, respectively, in proceeds from the Sponsor under the Amended Promissory Note, Note, as amended. The Company recorded the interest expense of \$37,200 \$184,500 and \$112,200 \$0 on the Amended Promissory Note for the three and nine month periods ended September 30, 2023, March 31, 2024 and 2023, respectively.

On May 10, 2024, the Company and the Sponsor further amended and restated the Second A&R Promissory Note (the "Third A&R Promissory Note") to (i) increase the principal amount of the Third A&R Promissory Note that may be drawn upon by the Company up to \$4,500,000, and (ii) amend the maturity date to the earlier of (x) the closing of the Business Combination or (y) August 28, 2024.

As of May 20, 2024, there was an outstanding balance of \$4,227,500 under the Third A&R Promissory Note.

Table of Contents

Note 5—Commitments and Contingencies

Registration Rights

The holders of Founder Shares, Private Placement Warrants and Warrants that may be issued upon conversion of working capital loans, if any, will be entitled to registration rights (in the case of the Founder Shares, only after conversion of such shares to Class A common stock) pursuant to a registration rights agreement to be signed on or before the date of the prospectus for the Initial Public Offering. These holders will be entitled to certain demand and "piggyback" registration rights. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

Underwriting Agreement

The Company paid an underwriting discount of 2.0% of the per Unit offering price to the underwriters at the closing of the Initial Public Offering, with an additional fee of 3.5% of the gross offering proceeds payable only upon the Company's completion of its Initial Business Combination (the "Deferred Discount").

The Deferred Discount of \$6,037,500 will become payable to the underwriters from the amounts held in the Trust Account solely in the event the Company completes its Initial Business Combination.

On May 8, 2023, the Company received a letter providing notice from the representative of the underwriters, waiving any entitlement to their portion of the \$6,037,500 deferred underwriting fee that accrued from their participation as the underwriters of the IPO as they have not been involved in the Business Combination process. This deferred underwriting discount, which previously increased the

[Table of Contents](#)

accumulated deficit due to the accretion of the Class A Common stock subject to possible redemption, was recorded as a recovery in the accumulated deficit during the **nine- months ended September 30, 2023, second quarter of 2023**.

Note 6—Warrants

Public Warrants may only be exercised for a whole number of shares. No fractional Public Warrants will be issued upon separation of the Units and only whole Public Warrants will trade. The Public Warrants will become exercisable on the later of (a) 30 days after the completion of a Business Combination or (b) 12 months from the closing of the Initial Public Offering; provided in each case that the Company has an effective registration statement under the Securities Act covering the Class A common stock issuable upon exercise of the warrants and a current prospectus relating to them is available and such shares are registered, qualified or exempt from registration under the securities, or blue sky, laws of the state of residence of the holder (or holders are permitted to exercise their warrants on a cashless basis under certain circumstances as a result of the Company's failure to have an effective registration statement by the 60th business day after the closing of the initial Business Combination. The Company has agreed that as soon as practicable, but in no event later than 15 business days after the closing of its initial Business Combination, the Company will use its commercially reasonable efforts to file with the SEC and have an effective registration statement covering the Class A common stock issuable upon exercise of the Public Warrants and will use its commercially reasonable efforts to cause the same to become effective within 60 business days after the closing of the Company's initial Business Combination and to maintain a current prospectus relating to those Class A common stock until the Public Warrants expire or are redeemed. If the shares issuable upon exercise of the Public Warrants are not registered under the Securities Act in accordance with the above requirements, the Company will be required to permit holders to exercise their warrants on a cashless basis. However, no Public Warrant will be exercisable for cash or on a cashless basis, and the Company will not be obligated to issue any shares to holders seeking to exercise their Public Warrants, unless the issuance of the shares upon such exercise is registered or qualified under the securities laws of the state of the exercising holder, or an exemption from registration is available. Notwithstanding the above, if the Company's Class A common stock are at the time of any exercise of a Public Warrant not listed on a national securities exchange such that they satisfy the definition of a "covered security" under Section 18(b)(1) of the Securities Act, the Company may, at its option, require holders of Public Warrants who exercise their warrants to do so on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act and, in the event the Company so elects, it will not be required to file or maintain in effect a registration statement, and in the event the Company does not so elect, it will use its commercially reasonable efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available.

The warrants have an exercise price of \$11.50 per share, subject to adjustments, and will expire five years after the completion of a Business Combination or earlier upon redemption or liquidation. In addition, if (x) the Company issues additional Class A common stock or equity-linked securities for capital raising purposes in connection with the closing of the initial Business Combination at an issue price or effective issue price of less than \$9.20 per share of Class A common stock (with such issue price or effective issue price to be determined in good faith by the board of directors and, in the case of any such issuance to the Sponsor or its affiliates, without

[Table of Contents](#)

taking into account any Founder Shares held by the Sponsor or such affiliates, as applicable, prior to such issuance) (the "Newly Issued Price"), (y) the aggregate gross proceeds from such issuances represent more than 60% of the total equity proceeds, and interest thereon, available for the funding of the

initial Business Combination on the date of the consummation of the initial Business Combination (net of redemptions) and (z) the volume weighted average trading price of Class A common stock during the 20 trading day period starting on the trading day prior to the day on which the Company consummates the initial Business Combination (such price, the "Market Value") is below \$9.20 per share, the exercise price of the warrants will be adjusted (to the nearest cent) to be equal to 115% of the higher of the Market Value and the Newly Issued Price, and the \$18.00 per share redemption trigger price described under "Redemption of warrants for Class A common stock" and "Redemption of warrants for cash" will be adjusted (to the nearest cent) to be equal to 180% of the higher of the Market Value and the Newly Issued Price.

The Private Placement Warrants are identical to the Public Warrants, except that, (i) they will not be redeemable by the Company, (ii) they (including the Class A common stock issuable upon exercise of these warrants) may not, subject to certain limited exceptions, be transferred, assigned, or sold by the Sponsor until 30 days after the completion of the initial Business Combination, (iii) they may be exercised by the holders on a cashless basis and (iv) they are subject to registration rights.

Redemption of warrants when the price per share of Class A common stock equals or exceeds \$18.00: Once the Public Warrants become exercisable, the Company may redeem the outstanding Public Warrants:

- in whole and not in part;

[Table of Contents](#)

- at a price of \$0.01 per warrant;
- upon a minimum of 30 days' prior written notice of redemption; and
- if, and only if, the closing price of the Class A common stock equals or exceeds \$18.00 per share (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a warrant as described under the heading "—Warrants—Public Stockholders' Warrants—Anti-Dilution Adjustments") on the trading day prior to the date on which we send the notice of redemption to the warrant holders.

The Company will not redeem the Public Warrants as described above unless an effective registration statement under the Securities Act covering the Class A common stock issuable upon exercise of the warrants is effective and a current prospectus relating to those shares of Class A common stock is available throughout the 30-day redemption period. Any such exercise would not be on a cashless basis and would require the exercising warrant holder to pay the exercise price for each warrant being exercised.

In no event will the Company be required to net cash settle any Public Warrant upon the exercise thereof. If the Company is unable to complete a Business Combination within the Combination Period and the Company liquidates the funds held in the Trust Account, holders of warrants will not receive any of such funds with respect to their warrants, nor will they receive any distribution from the Company's assets held outside of the Trust Account with the respect to such warrants. Accordingly, the warrants may expire worthless.

Note 7—Stockholders' Deficit

Preferred Stock—The Company is authorized to issue 1,000,000 preferred stock, par value \$0.0001 per share, with such designations, voting and other rights and preferences as may be determined from time to time by the Company's board of directors. As of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, there was no preferred stock issued or outstanding.

Class A Common Stock—The Company is authorized to issue 100,000,000 Class A common stock with a par value of \$0.0001 per share. In August 2023, in connection with the Special Meeting as disclosed in Note 1 above, stockholders holding 3,825,869 shares of Class A common stock exercised their right to redeem such shares for \$41,057,655, representing the pro rata portion of the funds in the **Company's** **Company's Trust Account as of the date of the Special Meeting**. In February 2024, in connection with the 2024 Special Meeting as disclosed in Note 1 above, stockholders holding 6,032,023 shares of Class A common stock exercised their right to redeem such shares for \$67,173,998, representing the pro rata portion of the funds in the **Company's** **Trust Account as of the date of the Special Meeting**. As of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, there were **13,424,131** **7,392,108** and **17,250,000** **13,424,131** shares of Class A common stock issued and outstanding subject to possible redemption, respectively.

[Table of Contents](#)

Class B Common Stock—The Company is authorized to issue 10,000,000 Class B common stock with a par value of \$0.0001 per share. As of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, 4,312,500 shares of Class B common stock were issued and outstanding.

Holders of shares of Class A common stock and holders of shares of Class B common stock will vote together as a single class on all matters submitted to a vote of our stockholders except as required by law. Unless specified in our amended and restated certificate of incorporation, or as required by applicable provisions of the Delaware General Corporation Law or applicable stock exchange rules, the affirmative vote of a majority of our shares of common stock that are voted is required to approve any such matter voted on by our stockholders.

[Table of Contents](#)

Note 8—Income Taxes

While ASC 740 identifies usage of an effective annual tax rate for purposes of an interim provision, it does allow for estimating individual elements in the current period if they are significant, unusual or infrequent. Computing the effective tax rate for the Company is complicated due to the potential impact of the timing of any Business Combination expenses and the actual interest income that will be recognized during the year. The Company has taken a position as to the calculation of income tax expense in a current period based on ASC 740-270-25-3 which states, "If an entity is unable to estimate a part of its ordinary income (or loss) or the related tax (benefit) but is otherwise able to make a reasonable estimate, the tax (or benefit) applicable to the item that cannot be estimated shall be reported in the interim period in which the item is reported." The Company believes its calculation to be a reliable estimate and allows it to properly take into account the usual elements that can impact its annualized book income and its impact on the effective tax rate. As such, the Company is computing its taxable loss and associated income tax provision based on actual results through March 31, 2024. The Company's effective tax rate ("ETR") is calculated quarterly based upon current assumptions relating to the full year's estimated operating results and various tax-related items. The Company's ETR was (40.15%) (59.8%) and 0% (80.3%) for the three months ended **September 30, 2023** **March 31, 2024** and 2022, respectively. The Company's ETR was (16.3%) and (24.4%) for the nine months ended September 30, 2023 and 2022, 2023, respectively. The difference between the effective tax rate of (40.15%) and (16.3%) (59.8%) for the three- and nine-months three months ended September 30, 2023, respectively, March 31, 2024 and the U.S. federal statutory rate of 21% for the three and nine months ended **September 30, 2023** **March 31, 2024** was primarily due to permanent differences resulting from transaction costs associated with the Company's proposed business combination (Note 1) and the interest and penalties incurred, and the temporary difference resulting from the change in the valuation allowance, allowance recorded against the deferred taxes arising from the Company's startup costs. The difference between the effective tax rate of 0% and (24%) (80.3%) for the three- and nine-months three months ended **September 30, 2022**, respectively, March 31, 2023 and the U.S. federal statutory rate of 21% for the three and nine months ended **September 30, 2022** **March 31, 2023** was primarily due to the utilization of net operating losses, and the change in the valuation allowance, allowance, resulting from recognizing a full valuation allowance against the deferred tax assets arising from the Company's startup costs.

As of **September 30, 2023** **March 31, 2024**, and **December 31, 2022** **December 31, 2023**, the Company has no uncertain tax positions related to federal and state income taxes. The 2022 and 2021 federal tax returns for the Company remain open for examination. In the event that the Company is assessed interest or penalties at some point in the future, it will be classified in the **unaudited** condensed financial statements as tax expense. For the three months ended March 31, 2024, the Company incurred \$119,958 of interest and penalties on the unremitted income tax obligations. No interest or penalties were incurred during the three months ended March 31, 2023.

Note 9—Subsequent Events

The Company did not identify any subsequent events that would have required adjustment or disclosure in the **unaudited** condensed financial statements other than below:

From October 1, 2023 to November 28, 2023, the Company drew \$662,500 of funds from its Amended Promissory Note in order to fund the below mentioned extensions, and working capital needs.

On **October 23, 2023** **April 26, 2024**, the Company further extended the period it has to consummate an initial business combination by a period of one month, or until **November 28, 2023** **May 28, 2024** in connection with which Company's Sponsor deposited **\$280,000** **\$150,000** into the Company's Trust Account.

On **November 21, 2023**, Company received a notice (the "Notice") from the NYSE indicating that the Company is not in compliance with the NYSE's continued listing requirements under the timely filing criteria set forth in Section 802.01E of the NYSE Listed Company Manual (the "Listing Rule") since the Company did not file its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2023 (the "Form 10-Q") with the Securities and Exchange Commission (the "SEC") on or before November 20, 2023, the extended period provided for the filing under Rule 12b-25(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Notice has no immediate effect on the listing of the Company's securities on the NYSE. The NYSE informed the Company that, under the NYSE's rules, the Company has six months from the original due date of the Form 10-Q, or until May 20, 2024, to file the Form 10-Q and regain compliance with the Listing Rule. The NYSE further noted that, if the Company fails to file the Form 10-Q, and any subsequent filings, within the six-month period, the NYSE may grant, in its sole discretion, an extension of up to six additional months for the Company to regain compliance, depending on the specific circumstances. The NYSE Notice also noted that the NYSE may nevertheless commence delisting proceedings at any time if it deems that the circumstances warrant.

On **November 28, 2023** **May 10, 2024**, the Company further extended and the period it has to consummate an initial business combination by a period of one month, or until December 28, 2023 in connection with which Company's Sponsor deposited \$280,000 into the Company's Trust Account.

On December 7, 2023, the Company further amended and restated the Secondary A&R Promissory Note (the "Third A&R Promissory Note") to among other things (i) increase the principal amount of the Third A&R Promissory Note that may be drawn upon by the Company to up to \$3,500,000, \$4,500,000, and (ii) amend the rate at which interest accrues on outstanding principal amounts to (a) 6.0% for any principal amount drawn down up to \$1,500,000 and (b) 18.0% for any principal amount drawn down greater than \$1,500,000, and (iii) amend the maturity date to the earlier of (a) (x) the closing of the Business Combination or (b) February 28, 2024 (y) August 28, 2024.

27 29

[Table of Contents](#)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion of our financial condition and results of operations in conjunction with our unaudited condensed financial statements for the period ended **September 30, 2023** **March 31, 2024**, and related notes included elsewhere in this Quarterly Report on Form 10-Q and our audited consolidated financial statements and accompanying notes included in Item 8 of our Annual Report on Form 10-K for the fiscal year ended **December 31, 2022** **December 31, 2023**, filed with the SEC on **March 30, 2023** **April 16, 2024** (the "2022" "2023 Form 10-K"). This discussion and analysis and other parts of this filing contain forward-looking statements based upon current beliefs, plans and expectations that involve risks, uncertainties and assumptions. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of several factors, including those set forth under Part I, Item 1A, "Risk Factors" in the **2022** **2023 Form 10-K**, under Part II, Item 1A. "Risk" "Risk Factors," and under the heading "Forward-Looking Statements" elsewhere in this Quarterly Report on Form 10-Q.

Overview

We are a blank check company incorporated on March 8, 2021 as a Delaware corporation and formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses or entities. We intend to effectuate our initial business combination using cash from the proceeds of our IPO and the sale of the private placement warrants, our shares, debt or a combination of cash, equity and debt. The Company's sponsor is Everest Consolidator Sponsor, LLC, a Delaware limited liability company (the "Sponsor").

The issuance of additional shares of our common stock in a business combination:

- may significantly dilute the equity interest of investors in the IPO, which dilution would increase if the anti-dilution provisions in the Class B common stock resulted in the issuance of Class A common stock on a greater than one-to-one basis upon conversion of the Class B common stock;
- may subordinate the rights of holders of shares of our Class A common stock if shares of preferred stock are issued with rights senior to those afforded our Class A common stock;

- could cause a change in control if a substantial number of shares of our Class A common stock are issued, which may affect, among other things, our ability to use our net operating loss carry forwards, if any, and could result in the resignation or removal of our present officers and directors;
- may have the effect of delaying or preventing a change of control of us by diluting the share ownership or voting rights of a person seeking to obtain control of us; and
- May adversely affect prevailing market prices for our units, shares of Class A common stock and/or warrants; and may not result in adjustment to the exercise price of our warrants

Similarly, if we issue debt or otherwise incur significant debt, it could result in:

- default and foreclosure on our assets if our operating revenues after an initial business combination are insufficient to repay our debt obligations;
- acceleration of our obligations to repay the indebtedness even if we make all principal and interest payments when due if we breach certain covenants that require the maintenance of certain financial ratios or reserves without a waiver or renegotiation of that covenant;
- our immediate payment of all principal and accrued interest, if any, if the debt is payable on demand;
- our inability to obtain necessary additional financing if the debt contains covenants restricting our ability to obtain such financing while the debt is outstanding;

2830

[Table of Contents](#)

- our inability to pay dividends on our Class A common stock;
- using a substantial portion of our cash flow to pay principal and interest on our debt, which will reduce the funds available for dividends on our Class A common stock if declared, expenses, capital expenditures, acquisitions and other general corporate purposes;
- limitations on our flexibility in planning for and reacting to changes in our business and in the industry in which we operate;
- increased vulnerability to adverse changes in general economic, industry and competitive conditions and adverse changes in government regulation; and
- limitations on our ability to borrow additional amounts for expenses, capital expenditures, acquisitions, debt service requirements, execution of our strategy and other purposes and other disadvantages compared to our competitors who have less debt.

First and Second Extensions of the Period to Complete the Initial Proposed Business Combination

On February 28, 2023, in accordance with our amended and restated certificate of incorporation and the terms of the trust agreement entered into between us and Equiniti Trust, LLC (f/k/a American Stock Transfer & Trust Company, LLC), dated as of November 23, 2021 (the "Trust Agreement"), we initially extended the period of time in which we must consummate an initial business combination by a period of three months, from February 28, 2023 to May 28, 2023 (the "Initial Extension"). In connection with the Initial Extension, our Sponsor deposited an aggregate of \$1,725,000 into the Trust Account, representing \$0.10 per public share, in exchange for the our issuance of to the Sponsor of 1,150,000 Private Placement Warrants, at a rate of \$1.50 per private placement warrant, with the same terms as the Private Placement Warrants issued in connection with the closing of our initial public offering ("IPO"). The Initial Extension was the first of two three-month extensions permitted under our governing documents.

On May 26, 2023, we further extended the period we had to consummate an initial business combination by a period of three months, or until August 28, 2023 (the "Second Extension"). In connection with the Second Extension, the Sponsor deposited an aggregate of \$1,725,000 into the Trust Account, representing \$0.10 per public share, in exchange for our issuance of to the Sponsor of 1,150,000 Private Placement Warrants, at a rate of \$1.50 per private placement warrant, with the same terms as the Private Placement Warrants issued in connection with the closing of the IPO. The Second Extension was the second of two three-month extensions permitted under our governing documents. The Company's stockholders were not entitled to vote on or redeem their shares in connection with the Initial Extension or the Second Extension.

In connection with the Sponsor's financing of the Initial Extension and the Second Extension, the Sponsor entered into two promissory notes in the aggregate amount of \$3,450,000 (\$1,725,000 for each extension) at an interest rate of 16% per annum (each, an "Extension Note" and together, the "Extension Notes") with Everest Consolidator – A Series of Master Fund I LLC (the "Noteholder"), a third-party investor. In connection with the Sponsor's issuance of the Extension Notes, the Company entered into a Conditional Guaranty Agreements in favor of the Noteholder in respect of each Notes. See "—Contractual Obligations and Commitments," below.

Proposed Business Combination Agreement

On May 19, 2023, the Company entered into a business combination agreement with Unifund Financial Technologies, Inc., a Delaware corporation ("New PubCo" or "Unifund"), Unifund Merger Sub Inc., a Delaware corporation and a direct, wholly owned subsidiary of New PubCo ("Merger Sub"), Unifund Holdings, LLC, a Delaware limited liability company ("Holdings"), Credit Card Receivables Fund Incorporated, an Ohio corporation ("CCRF"), USV, LLC, an Ohio limited liability company ("USV" and together with Holdings and CCRF, the "Target Companies"), and, solely for limited purposes set forth therein, the Sponsor (the "Business Combination Agreement" and the proposed business combination contemplated thereby, the "Unifund Business Combination"). The Target Company group specializes in the acquisition and servicing of consumer debt receivables and offers consumer data analytics and tailored recovery solutions for major banks, financial institutions and other creditors across the United States. The Business Combination Agreement has been approved by the boards of directors or board of managers, as applicable, of each of the Company, the Target Companies and New PubCo. In connection with the Unifund Business Combination, certain related agreements have been, or will be entered into on or prior to the closing of the Unifund Business Combination, including the New PubCo Registration Rights and Lock-

29

[Table of Contents](#)

up Lock-up Agreement, the Sponsor Support Agreement and the Holder Support Agreement (each as defined and described in the Company's Current Report on Form 8-K filed with the SEC on May 22, 2023).

The consummation of the proposed Unifund Business Combination is subject to certain conditions as further described in the Business Combination Agreement. The closing of the proposed Unifund Business Combination is expected to occur no later than three business days following the satisfaction or waiver of all of the closing conditions, or at such other time date and place as the Company and the Target Companies may mutually agree in writing. The Business Combination Agreement may be terminated under certain customary and limited circumstances at any time prior to the consummation thereof and the Company can provide no assurance that the Business Combination will be consummated at the expected time, or at all.

For a description of the terms of the Business Combination Agreement and related agreements, refer to Note 1. *Description of Organization and Business Operations* to the unaudited condensed financial statements contained elsewhere in this Quarter Quarterly Report on Form 10-Q, to the Company's Current Report on Form 8-K filed with the SEC on May 22, 2023, and to the prospectus/proxy statement included in the Registration Statement on Form S-4 (File No. 333-273362) initially filed with the SEC on July 21, 2023 by the Company and the NewPubco in relation to the proposed Unifund Business Combination (such registration statement, as subsequently amended or supplemented, the "Registration" "Registration Statement").

Waiver and Consent to Business Combination Agreement

On February 25, 2024, the Company, Sponsor and Holdings entered into a Waiver and Consent to Business Combination Agreement (the "Waiver and Consent"). The Waiver and Consent, among other things, permits the solicitation of, exploration and negotiation of, entry into, and consummation of (a) one or more potential sales, whether structured as a sale of equity of some or all of the Unifund Entities, a sale of some, all or substantially all of the assets of some or all of the Unifund Entities or as a merger, consolidation or otherwise, including, without limitation, sales of one or more of the receivables portfolios held by any of the Unifund Entities, which

31

[Table of Contents](#)

may or may not be made in the ordinary course of their respective business (a "Sale Transaction") and (b) one or more financing transactions whether structured as debt, equity or a combination thereof, to provide for among other things the refinancing of the Unifund Entities' existing senior secured credit facility (each, a "Financing Transaction" and together with any Sale Transaction, each, a "Strategic Transaction"). The Waiver and Consent further waived any past, current, or future defaults under the Business Combination Agreement caused by, arising from, or in connection with, any Strategic Transaction and further waived any and all defaults or breaches of the Business Combination Agreement by the Unifund Entities that may have occurred prior to or on the date

of signing the Waiver and Consent. The Waiver and Consent resulted in amendments to the termination provisions of the Business Combination Agreement as discussed below.

This Quarterly Report on Form 10-Q does not give effect to the proposed Unifund Business Combination and does not contain the risks associated with the proposed Unifund Business Combination. Such risks and effects relating to the proposed Unifund Business Combination are included in the Registration Statement.

Recent Developments*Extension of Time to Complete an Initial Business Combination*

On February 28, 2023, in accordance with our amended and restated certificate of incorporation and the terms of the trust agreement entered into between us and Equiniti Trust, LLC (f/k/a American Stock Transfer & Trust Company, LLC), dated as of November 23, 2021 (the "Trust Agreement"), the Company extended the period it has to consummate an initial Business Combination by a period of three months, from February 28, 2023 until May 28, 2023 (the "Initial Extension"). In connection with the Initial Extension, the Company's Sponsor deposited an aggregate of \$1,725,000 into the Company's Trust Account, representing \$0.10 per public share, in exchange for the Company's issuance to the Sponsor of 1,150,000 Private Placement Warrants, at a rate of \$1.50 per private placement warrant, with the same terms as the Private Placement Warrants issued in connection with the closing of the Company's IPO.

On May 26, 2023, the Company further extended the period it has to consummate an initial business combination by a period of three months, or until August 28, 2023 (the "Second Extension"). In connection with the Second Extension, the Company's Sponsor deposited an aggregate of \$1,725,000 into the Company's Trust Account, representing \$0.10 per public share, in exchange for the Company's issuance to the Sponsor of 1,150,000 Private Placement Warrants, at a rate of \$1.50 per private placement warrant, with the same terms as the Private Placement Warrants issued in connection with the closing of the Company's IPO.

The Company's stockholders were not entitled to vote on or redeem their shares in connection with the Initial Extension or the Second Extension.

In connection with the financing of the Initial Extension and the Second Extension, the Sponsor entered into promissory notes in the aggregate amount of \$3,450,000 (\$1,725,000 for each extension) at an interest rate of 16% per annum (each, an "Extension Note" and together, the "Extension Notes") with Everest Consolidator – A Series of Master Fund I LLC (the "Noteholder"), a third-party investor. In connection with the Sponsor's issuance of the Extension Notes, the Company entered into a Conditional Guaranty Agreements in favor of the Noteholder in respect of each Note (each term as defined herein). See "Part I, Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations—Contractual Obligations and Commitments" for a description of the Conditional Guarantees.

2023 Special Meeting of Stockholders

On August 24, 2023, **we** the Company convened a special meeting of stockholders (the "Special 2023 Special Meeting") at which **our** the stockholders approved, among other items, (i) a proposal to amend **our** the Company's amended and restated certificate of incorporation to provide **our** the board of directors with the right to extend (the "Monthly Extensions") the date by which **we have** the Company has to consummate a business combination (the "Combination Period") up to an additional six (6) times for one (1) month each time, from August 28, 2023 to February 28, 2024 (as extended, the "Extended Date") (the "Extension 2023 Extension Amendment Proposal"); (ii) a proposal to approve the adoption of an amendment (the "Trust 2023 Trust Amendment") to the Trust Agreement to allow **us** the Company to extend the Combination Period up to an additional six (6) times for one (1) month each time from August 28, 2023 to February 28, 2024, the Extended Date, by depositing into the Trust Account, for each one-month extension, the lesser of (a) \$280,000 and (b) \$0.035 per public share then outstanding (the "Trust Amendment Proposal"); and (iii) a proposal to amend **our** the amended and restated certificate of incorporation to eliminate the limitation that the Company shall not redeem public shares to the extent that such redemption would cause **our** the Company's net tangible assets to be less than \$5,000,001 (the "Redemption Limitation") to allow **us** the Company to redeem public shares irrespective of whether such redemption would exceed the

Table of Contents

Redemption Limitation (the "Redemption 2023 Redemption Limitation Amendment Proposal" and together with 2023 Extension Amendment Proposal and the Trust Amendment Proposal, the "Charter 2023 Charter Amendment Proposals").

In connection with the 2023 Charter Amendment Proposals, holders of **our** the Company's public shares were given the opportunity to redeem their public shares for a pro rata share of the funds on deposit in the Trust Account as of two business days prior to such approval, including any interest earned on the

trust account Trust Account deposits (net of taxes payable), divided by the number of then outstanding public shares. A total of 63 stockholders elected to redeem an Stockholders holding the aggregate of 3,825,869 shares of Class A Common Stock elected to redeem their shares at a per share redemption price of \$10.73, totaling for the total redemption of \$41,057,655. Following the 2023 Special Meeting and associated redemptions, we the Company had approximately \$144.9 million remaining in the Trust Account.

As of The Company utilized the date of this Quarterly Report on Form 10-Q, the Sponsor has deposited an aggregate of \$1,120,000 into the Trust Account in connection with the first, second, third and fourth six one-month extensions of the Combination Period pursuant permitted by the 2023 Charter Amendment Proposals to extend the Combination period from September 28, 2023 to February 28, 2024, in connection with which the Sponsor deposited an aggregate of \$1,680,000 into the Company's Trust Account.

2024 Special Meeting of Stockholders

The Company's board of directors determined that there would not be sufficient time before the February 28, 2024 extension deadline to complete a business combination. Accordingly, the Company convened a special meeting of stockholders on February 26, 2024 (the "2024 Special Meeting") at which our stockholders approved (i) a proposal to further amend our amended and restated certificate of incorporation to provide our board of directors with the right to extend the Combination Period up to an additional six (6) times for one (1) month each time, from February 28, 2024 to August 28, 2024 (the "2024 Charter Amendment Proposal") and (ii) a proposal to approve the adoption of an amendment to the Trust Agreement to allow the Company to extend the Combination Period up to an additional six (6) times for one (1) month each time from February 28, 2024 to August 28, 2024, by depositing into the Trust Account, for each one-month extension, the lesser of (a) \$150,000 and (b) \$0.030 per public share then outstanding (the "2024 Trust Amendment Proposal," and together with Extension Amendment Proposal and the 2024 Trust Amendment Proposal, the "2024 Charter Amendment Proposals. Proposals").

In connection with the 2024 Charter Amendment Proposals, holders of the Company's public shares were given the opportunity to redeem their public shares for a pro rata share of the funds on deposit in the Trust Account, including any interest earned on the Trust Account deposits (net of taxes payable), divided by the number of then outstanding public shares. Stockholders holding 6,032,023 Public Shares exercised their right to redeem such shares for a pro rata portion of the funds in the Company's trust account. As a result, approximately \$67.2 million (approximately \$11.14 per Public Share) was removed from the Company's trust account to pay such redeeming holders of Public Shares. Following the redemptions, a total of 7,392,108 Public Shares remained outstanding and eligible for redemption, and the Company had approximately \$82.7 million remaining in the Trust Account.

On February 28, 2024, the Company further extended the period it has to consummate an initial Business Combination by a period of one month, or until March 28, 2024. In connection with the one-month extension, the Company's Sponsor deposited \$150,000 into the Company's Trust Account.

On March 26, 2024, the Company further extended the period it has to consummate an initial Business Combination by a period of one month, or until April 28, 2024. In connection with the one-month extension, the Company's Sponsor deposited \$150,000 into the Company's Trust Account.

On April 26, 2024, the Company further extended the period it has to consummate an initial Business Combination by a period of one month, or until May 28, 2024. In connection with the one-month extension, the Company's Sponsor deposited \$150,000 into the Company's Trust Account.

The Combination Period currently expires on December 28, 2023 May 28, 2024. The Company may extend the Combination Period for up to two three additional one-month periods to February 28, 2024, August 28, 2024 pursuant to the 2024 Charter Amendment Extensions.

3033

Table of Contents

Results of Operations and Known Trends or Future Events

We have neither engaged in any operations nor generated any revenues to date. Our only activities from March 8, 2021 (inception) through September 30, 2023 March 31, 2024 were organizational activities, the activities necessary for our IPO, and those to complete the initial business combination. We do not expect to generate any operating revenues until after the completion of our initial business combination. We expect to generate non-operating income in the form of interest income on marketable securities held in the trust account established at the time of the IPO to hold certain proceeds from the IPO and the concurrent sale of the private placement warrants. We incur expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance), as well as the transaction costs in relation to the proposed Unifund Business Combination.

For the three months ended September 30, 2023 March 31, 2024, we had a net loss of \$1,594,960 \$1,199,055, which consists of investment income held in the trust account Trust Account of \$2,225,997 \$1,634,399, offset by general and administrative expenses of \$3,187,663, Conditional Guarantee \$2,062,840,

expense of \$139,134, \$137,622 related to the increase in conditional guarantee balance, interest expense of \$37,200, \$184,500, and the provision for income taxes of \$456,960, \$448,492. Of the \$3,187,663 \$2,062,840 of general and administrative expenses, approximately \$2.4 million \$1.6 million relate to business combination costs and the remaining approximately \$0.4 million consisted of operating expenses, including but not limited to legal, accounting, and insurance costs.

For the nine three months ended September 30, 2023 March 31, 2023, we had a net loss of \$9,215,480, \$857,507, which consists of investment income held in the trust account Trust Account of \$6,294,454, \$1,897,729, offset by general and administrative expenses of \$10,400,770, Conditional Guarantee expense of \$3,706,339, interest expense of \$112,200 \$2,373,223 and the provision for income taxes of \$1,290,625. Of the \$10,400,770 of general \$382,013. General and administrative expenses approximately \$8.4 million relate during the three months ended March 31, 2023 consisted of operating expenses, including but not limited to business combination costs, legal, accounting, and insurance costs, and costs to identify an acquisition target.

For the three months ended September 30, 2022 March 31, 2024, we had the net loss increased to \$1,199,055, as compared to \$857,507 for the three months ended March 31, 2023, due to the decrease in dividend and interest income of \$222,640, which consists of and the increase in income tax expense, partially offset by the decrease in general and administrative expenses of \$379,100, which was offset by investment income of \$601,740.

expenses. For the nine three months ended September 30, 2022 March 31, 2024, we had a net loss of \$559,203, the dividend and interest income decreased to \$1,634,399, as compared to \$1,897,729 for the three months ended March 31, 2023, due to the decrease in the principal balance in the Trust Account which consists of general resulted from the August 2023 and administrative expenses of \$1,301,314 and February 2024 redemptions. For the three months ended March 31, 2024, the income tax expense increased to \$448,492, as compared to \$382,013 for the three months ended March 31, 2023, due to interest and penalties of \$109,576 which were offset by investment \$119,958 on unremitting income tax liabilities. General and administrative costs remained consistent during the three months ended March 31, 2024 as compared to the three months ended March 31, 2023 due to the Company's continued efforts towards completion of \$851,687. the Unifund Business Combination.

Liquidity, Capital Resources and Going Concern

Our liquidity needs were satisfied prior to the completion of our IPO through \$18,750 paid by our sponsor, Everest Consolidator Sponsor, LLC (after giving effect to the repurchase by us of 1,437,500 shares of our Class B common stock from our sponsor for an aggregate purchase price of \$6,250) to cover certain of our offering and formation costs in exchange for the issuance of the founder shares to our sponsor.

We During 2021, we generated net proceeds of \$177,606,386 from the (i) the sale of the units in the IPO, after deducting offering expenses, underwriting commissions, but excluding deferred underwriting commissions, and (ii) the sale of the private placement warrants. Of this amount, \$175,950,000 are held were deposited in the trust account, Trust Account, which includes included \$6,037,500 of deferred underwriting commissions, commissions (entitlement to which has since been waived by the underwriter). The proceeds held in the trust account Trust Account are invested only in U.S. government treasury obligations with a maturity of 185 180 days or less or in mutual funds meeting certain conditions under Rule 2a-7 under the Investment Company Act which invest only in direct U.S. government treasury obligations.

On May 7, 2023 In August 2023, the Company withdrew \$1,075,252 of interest and dividend income earned in the Trust Account (the "Withdrawn Trust Funds") for payment of the Company's franchise and income tax liabilities. The Withdrawn Trust Funds were restricted for payment of such tax liabilities under the Company's certificate incorporation and the terms of the Trust Agreement. Through September 30, 2023, the Company issued mistakenly used \$752,885 of Withdrawn Trust Funds for the payment of general operating expenses. In consultation with counsel, management determined that this use of funds was not in accordance with the Trust Agreement. The Company disbursed an unsecured promissory note (the "Promissory Note") in aggregate of \$322,267, the principal amount balance of up to \$1,500,000 the Withdrawn Trust Funds, for payment of general operating expenses between October 1, 2023 and November 6, 2023, also counter to the Sponsor, terms of the Trust Agreement. As of the date of this Quarterly Report on Form 10-Q, none of the \$1,075,252 had been remitted to satisfy franchise and income tax liabilities and such liabilities remain outstanding. The Promissory Note obligates the Company intends to repay the total amount drawn (which will be in the form of a non-convertible working capital loan), together with accrued interest at the rate of 6% on the total amount drawn (the "Interest"), provided that the total repayment amount shall not exceed \$1,500,000 plus the applicable Interest. On December 7, 2023, the Company amended and restated the Promissory Note (the "Amended Promissory Note") raise additional funds prior to among other things (i) increase the principal amount that may be drawn upon by the Company to up to \$3,500,000, (ii) amend the rate at which interest accrues on outstanding principal amounts to (a) 6.0% for any principal amount drawn down up to \$1,500,000 and (b) 18.0% for any principal amount drawn down greater than \$1,500,000, and (iii) amend the maturity date to the earlier of (a) the closing of the Business Combination or (b) February 28, 2024. Through September 30, 2023, to satisfy income and franchise tax liabilities. In the Company received an aggregate of \$1,870,000 in proceeds from the Sponsor under the Amended Promissory Note.

On May 8, 2023, the Company received a letter providing notice from the representative of the underwriters in the Company's IPO, waiving any entitlement to their portion of the \$6,037,500 deferred underwriting fee that accrued from their participation as the underwriters of the IPO as they have not been involved in the Business Combination process.

[Table of Contents](#)

event that a Business Combination does not close, any loan made to the Company for the purpose of paying overdue tax obligations that should have been paid using the Withdrawn Trust Funds would be repaid only out of funds held outside the Trust Account. On May 8, 2024, the Sponsor executed a written commitment (the "Commitment Letter") to pay any amount that the Company is unable to pay that is owed to the Internal Revenue Service for federal income tax or to the Division of Corporations of the State of Delaware for franchise tax, including upon and following a liquidation of the Trust Account, as a result of the use Withdrawn Trust Funds for general corporate purposes. The Company believes that the Sponsor's obligations under the Commitment Letter accomplish the same outcome as restoring funds to the Trust Account in the event that the Trust Account is liquidated because the amounts withdrawn from the Trust Account in the third quarter of 2023 were intended for the payment of tax obligations.

For the ~~nine~~ three months ended ~~September 30, 2023, March 31, 2024 and 2023~~, cash used in operating activities was \$2,809,565, which is related ~~\$522,003 and \$253,390~~, respectively. The increase in cash used in operating activities was primarily due to the increased cash payments for transaction costs.

In connection with the shareholder vote to approve the Extension Amendment Proposal at the Special Meeting on August 24, 2023, the holders of 3,825,869 shares of Class A common stock exercised their right to redeem such shares at a per share redemption price of approximately \$10.73, and an aggregate of \$41,057,655 was withdrawn from the trust account.

As of ~~September 30, 2023~~ ~~March 31, 2024~~, we had cash of ~~\$322,367~~ \$26,973 held outside of the ~~trust account~~ Trust Account (reserved for tax payments) and marketable securities held in the ~~trust account~~ Trust Account of ~~\$145,772,470~~ (which includes \$4,010,000 of funds deposited by the Sponsor in connection with the Initial and Second Extensions and the first and second one-month extensions pursuant to the Charter Amendment Proposals, \$8,831,770 of interest income, and excludes the \$41,057,655 which was withdrawn from the Trust as part of the Extension Amendment Proposal at the Special Meeting on August 24, 2023) ~~\$83,596,299~~ consisting of securities held in a mutual fund that invests in U.S. Treasury securities with a maturity of 180 days or less. Interest income on the balance in the ~~trust account~~ Trust Account may be used by us to pay income and franchise taxes. Through September 30, 2023, we withdrew \$1,961,645 of interest earned on the trust account, inclusive of the of \$1,075,252 withdrawn in August 2023, discussed below, to pay income taxes and Delaware franchise taxes.

In August 2023, the Company withdrew \$1,075,252 of interest and dividend income earned in the Trust Account for payment of the Company's estimated franchise and income tax liabilities. As of September 30, 2023 none of the \$1,075,252 had been remitted to satisfy franchise and income tax liabilities. The amount withdrawn was restricted for payment of such tax liabilities under the Company's certificate incorporation and the terms of the Trust Agreement. Through September 30, 2023, the Company mistakenly used \$752,885 of these funds for the payments of general operating expenses counter to the terms of the Trust Agreement. As of September 30, 2023, these funds (totaling \$752,885) remain payable for franchise and income tax purposes.

We intend to use substantially all of the funds held in the ~~trust account~~ Trust Account, including any amounts representing interest earned on the ~~trust account~~ Trust Account (less taxes payable and deferred underwriting commissions, as applicable) payable, to complete our initial business combination. We may withdraw interest income (if any) to pay franchise and income taxes. Our annual income tax obligations will depend on the amount of interest and other income earned on the amounts held in the ~~trust account~~. We expect the interest income earned on the amount in the ~~trust account~~ (if any) will be sufficient to pay our taxes. ~~Trust Account~~. To the extent that our equity or debt is used, in whole or in part, as consideration to complete our initial business combination, the remaining proceeds held in the ~~trust account~~ Trust Account will be used as working capital to finance the operations of the target business or businesses, make other acquisitions and pursue our growth strategies.

The \$322,367 held outside of the ~~trust account~~ (reserved for tax payments) as of September 30, 2023, and a working capital deficit, excluding franchise and income taxes, of \$14,273,909 as of September 30, 2023, will not be sufficient to allow the Company to operate for at least the next 12 months from the issuance of the condensed financial statements contained elsewhere in this Form 10-Q, assuming that a business combination is not consummated during that time.

In order to finance transaction costs in connection with a Business Combination the Sponsor or an affiliate of the Sponsor, or certain of the Company's officers and directors may, but are not obligated to, loan the Company funds as may be required ("Working Capital Loans"). If the Company completes a Business Combination, the Company would repay the Working Capital Loans out of the proceeds of the Trust Account released to the Company. Otherwise, the Working Capital Loans would be repaid only out of funds held outside the Trust Account. In the event that a Business Combination does not close, the Company may use a portion of proceeds held outside the Trust Account to repay the Working Capital Loans but no proceeds held in the Trust Account would be used to repay the Working Capital Loans. The Working Capital Loans would either be repaid upon consummation of a Business Combination or, at the lender's discretion, up to \$1,500,000 of such Working Capital Loans may be convertible into warrants of the post Business Combination entity at a price of \$1.50 per warrant. The warrants would be identical to the Private Placement Warrants. During ~~As of March 31, 2024 and December 31, 2023, no amounts were due under the nine-month period ended September 30, 2023~~ Working Capital Loans.

On May 7, 2023, the Company issued an unsecured promissory note (the "Promissory Note") in the principal amount of up to \$1,500,000 to the Sponsor. The Promissory Note obligates the Company to repay the total amount drawn (in the form of a non-convertible working capital loan), together with accrued interest at the rate of 6% on the total amount drawn (the "Interest"), provided that the total repayment amount shall not exceed \$1,500,000 plus the applicable Interest.

On December 7, 2023, the Company and the Sponsor amended and restated the Promissory Note (the "First Amended Promissory Note") to, among other things (i) increase the principal amount that may be drawn upon by the Company to up to \$3,500,000, (ii) amend the rate at which interest accrues on outstanding principal amounts to (a) 6.0% for any principal amount drawn down up to \$1,500,000 and (b) 18.0% for any principal amount drawn down greater than \$1,500,000, and (iii) amend the maturity date to the earlier of (a) the closing of the Business Combination or (b) February 28, 2024.

On March 26, 2024, the Company and the Sponsor further amended and restated Amended and Restated Promissory Note (the "Second A&R Promissory Note"), to, among other things, (i) increase the principal amount of the Second A&R Promissory Note that may be drawn upon by the Company up to \$4,000,000, and (ii) amend the maturity date to the earlier of (x) the closing of the Business Combination or (y) May 7, 2024.

Through March 31, 2024 and December 31, 2023, the Company received an aggregate of \$1,870,000 \$3,777,500 and \$2,752,500, respectively, in proceeds from the form Sponsor under the Promissory Note, as amended. During the three months ended March 31, 2024 and 2023, the Company drew an aggregate of \$1,025,000 and \$0, respectively, of funds under the Promissory Note, as amended, in order to fund the First 2024 Monthly Extension, the Second 2024 Monthly Extension, and working capital loan needs.

[Table of Contents](#)

On May 10, 2024, the Company and the Sponsor further amended and restated the Secondary A&R Promissory Note (the "Third A&R Promissory Note") to (i) increase the principal amount of the Third A&R Promissory Note that may be drawn upon by the Company up to \$4,500,000, and (ii) amend the maturity date to the earlier of (x) the closing of the Business Combination or (y) August 28, 2024.

As of May 20, 2024, there was an outstanding balance of \$4,227,500 under the Third A&R Promissory Note

As discussed above, on each of February 29, 2024, March 26, 2024, and April 26, 2024, the Company deposited \$150,000 into the Trust account for the first and second one-month extension from its Sponsor. February 28, 2024 to May 28, 2024 pursuant to the 2024 Charter Amendment Extensions.

The Company believes that the proceeds raised in the IPO, and the funds potentially available from loans from the Sponsor or any of their affiliates will be sufficient to allow the Company to meet the expenditures required for operating its business. However, if the estimate of the costs to complete the proposed Business Combination with Unifund is less than the actual amount necessary to do so, the Company may have insufficient funds available to operate its business prior to the initial Business Combination. Moreover, the Company may need to obtain additional financing either to complete the Business Combination or because the Company becomes obligated to redeem a significant number of public shares upon completion of the Business Combination, in which case the Company may issue additional securities or incur debt in connection with such Business Combination. We cannot provide any assurance that any new financing will be available to it on commercially acceptable terms, if at all.

Table The \$26,973 held outside of [Contents](#) the Trust Account as of March 31, 2024, in combination with the working capital deficit of \$23,339,527, will not be sufficient to allow the Company to operate for at least the next 12 months from the issuance of the unaudited condensed financial statements contained elsewhere in this Form 10-Q, assuming that a Business Combination is not consummated during that time.

Giving effect to the 2024 Charter Amendment Proposals Extensions and subject to the Company making the required trust account deposits, we have until February 28, 2024 August 28, 2024, the Termination Date, to complete an initial business combination (the "Termination Date"). combination. It is uncertain whether the Company will be able to consummate the proposed business combination by the Termination Date. If we are unable to consummate an initial business combination by the Termination Date we will, as promptly as reasonably possible but not more than ten business days thereafter, redeem 100% of the outstanding shares of Class A common stock, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including any interest earned on the funds held in the Trust Account, less up to \$100,000 of interest to pay dissolution expenses and net of interest that may be used by us to pay our franchise and income taxes payable, divided by the number of then outstanding shares of Class A common stock, which redemption will completely extinguish our public stockholders' rights as stockholders (including the right to receive further liquidation distributions, if any), subject to applicable law and as further described herein, and then seek to dissolve and liquidate.

Management has determined that the liquidity condition, potential mandatory liquidation and subsequent dissolution raises substantial doubt about the Company's ability to continue as a going concern. These concern, assuming a Business Combination is not consummated before August 28, 2024. The unaudited condensed financial statements contained elsewhere in this Quarterly Report on Form 10-Q do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern.

Contractual Obligations and Commitments

Registration Rights

The holders of the Founder Shares, Private Placement Warrants and warrants that may be issued upon conversion of Working Capital Loans (and any Class A common stock issuable upon the exercise of the Private Placement Warrants and warrants that may be issued upon conversion of Working Capital Loans) are entitled to registration rights pursuant to a registration rights agreement entered into prior to the closing of the Initial Public Offering. The holders of these securities may at any time, and from time to time, request in writing that the Company register the resale of any or all of these securities on Form S-3 or any similar short form registration statement that may be available at such time; provided, however, that the Company shall not be obligated to effect such request through an underwritten offering. In addition, the holders have certain "piggy-back" registration rights with respect to registration statements filed subsequent to the completion of the initial business combination. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

36

[Table of Contents](#)

Deferred Underwriting Commissions

The underwriters were entitled to a deferred fee of \$0.35 per unit, or \$6,037,500 in the aggregate. Subject to the terms of the underwriting agreement, the deferred fee was placed in our Trust Account to be released to the underwriters only upon the completion of our initial business combination. On May 8, 2023, the Company received a letter providing notice from the representative of the underwriters, waiving any entitlement to their portion of the \$6,037,500 deferred underwriting fee that accrued from their participation as the underwriters of the IPO as they have not been involved in the Proposed Business Combination process.

Administrative Services Agreement

We are party to an Administrative Services Agreement pursuant to which the Company has agreed to pay an affiliate of the Sponsor a total of \$10,000 per month, until the earlier of the completion of the initial Business Combination and the liquidation of the trust assets, for office space, secretarial and administrative services. Upon completion of the initial Business Combination or liquidation, we will cease paying these monthly fees.

For each of the three months ended March 31, 2024 and 2023, the Company expensed \$30,000 for the services provided through the Administrative Services Agreement. As of March 31, 2024 and December 31, 2023, the balance due under the agreement was \$120,000 and \$90,000, respectively, and was included in Due to related party.

Conditional Guarantees

In connection with the Initial Extension and the Second Extension, the Company entered into a Conditional Guaranty Agreement in favor of the Noteholder in respect of each Extension Note. Pursuant to each Conditional Guaranty Agreement, the Company has agreed, subject to the Company's consummation of an Initial Business Combination prior to the Termination Date, to guarantee the payment by the Sponsor to the Noteholder when due of all principal and accrued interest owed to the Noteholder under the respective Extension Note. Upon consummation of the Business Combination, the Company will become the primary obligor under the Extension Notes and will be required to pay all principal and accrued interest owed to the Noteholder. The Company's obligations under each Conditional Guaranty Agreement will terminate upon the earliest to occur of (i) the payment in full or discharge and termination of the Extension Note, (ii) the failure to consummate an initial business combination prior to the Termination Date or (iii) immediately prior to the voluntary or involuntary liquidation, dissolution or winding up of the Company. The Noteholder has waived any right, title, interest and claim of any kind as it relates to the Trust Account.

The Company accounts for the Conditional Guarantees in accordance with the guidance in ASC 460, "Guarantees" ("ASC 460") as the Conditional Guarantees contingently require the Company to make payments to a guaranteed party. As required by ASC 460, at the inception, the Company assessed the need to recognize a liability for the contingent component of the guarantee (the obligation to make future payments upon the occurrence of certain events) in

accordance with the guidance in ASC 450, "Contingencies" ("ASC 450"). Under ASC 450, a Company is required to record a liability if it is probable that the Company would have to make a payment under the guarantee, and the payment can be reasonably estimated. See Note 4 to the **unaudited condensed financial statements contained elsewhere in this Quarterly Report on Form 10-Q** for further detail as it relates to regarding the Conditional Guarantees.

As of **September 30, 2023** **March 31, 2024** and **December 31, 2023**, the Company deemed that the payment of the Extension Notes on behalf of the Sponsor was probable and recorded a liability of **\$3,706,339**, **\$3,983,096** and **\$3,845,474**, respectively, including **\$3,450,000** of principal, and **\$256,339** **\$533,096** and **\$395,474** of accrued interest related to the Extension Notes. Notes through **March 31, 2024** and **December 31, 2023**, respectively.

Registration Rights

The holders of the Founder Shares, Private Placement Warrants and warrants that may be issued upon conversion of Working Capital Loans (and any Class A common stock issuable upon the exercise of the Private Placement Warrants and warrants that may be issued upon conversion of Working Capital Loans) are entitled to registration rights pursuant to a registration rights agreement entered into prior to the closing of the IPO. The holders of these securities may at any time, and from time to time, request in writing that the Company register the resale of any or all of these securities on Form S-3 or any similar short form registration statement that may be available at such time; provided, however, that the Company shall not be obligated to effect such request through an underwritten offering. In addition, the holders have certain "piggy-back" registration rights with respect to registration statements filed subsequent to the completion of the initial business combination. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

33

[Table of Contents](#) [Promissory Note](#)

Working Capital Loan –Promissory Note

See "—*Liquidity, Capital Resources and Going Concern*," above for a description of the Promissory Note, as subsequently amended and restated by the Amended Promissory note, the Second A&R Promissory Note and the Third A&R Promissory Note issued by the Company in connection with amounts received in the form of working capital loans during the three months ended **September 30, 2023** **March 31, 2024**. The Company recorded the interest expense of **\$37,200** and **\$112,200** **\$184,500** on the Amended Promissory Note for the three and nine month periodsmonths ended **September 30, 2023**, respectively. **March 31, 2024**.

[Administrative Services Agreement](#) 37

We have entered into an Administrative Services Agreement pursuant to which the Company has agreed to pay an affiliate [Table of the Sponsor](#) a total of **\$10,000** per month, until the earlier of the completion of the initial Business Combination and the liquidation of the trust assets, for office space, secretarial and administrative services. Upon completion of the initial Business Combination or liquidation, we will cease paying these monthly fees. [Contents](#)

For the for the three month and nine month periods ended September 30, 2023 and 2022, the Company expensed \$30,000 and \$90,000, respectively, for the services provided through the Administrative Services Agreement. As of September 30, 2023, the balance due under the agreement was \$60,000 and was included in Due to related party. As of December 31, 2022, the Company had no amounts due to the Sponsor related to the Administrative Services Agreement.

Critical Accounting Policies and Estimates

The Company prepares its preparation of financial statements and accompanying notes in conformity with accounting principles generally accepted in the United States of America, which require U.S. GAAP requires management to make estimates and assumptions about future events that affect the reported amounts. Estimations amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements. Our management believes that the estimates, judgment and assumptions used are considered reasonable based upon information available at the time they are made. Actual results could materially differ from those estimates. We have identified the following critical accounting estimates based on, among other things, its impact on the portrayal of the Company's financial condition, results of operations, or liquidity, as well as the degree of difficulty, subjectivity, policies and complexity in its deployment. Critical accounting estimates address accounting matters that are inherently uncertain due estimates:

Class A Common Stock Subject to unknown future resolution of such matters. Management routinely discusses the development, selection, and disclosure of each critical accounting estimates. There have been no significant changes to the Company's estimates and assumptions during the three and nine-months ended September 30, 2023 other than as described in "Guarantee" below. Reference should be made to the financial statements and related notes included in the 2022 Form 10-K for a full description of other significant accounting policies.

GuaranteePossible Redemption

The Company accounts for the Conditional Guarantees its common stock subject to possible redemption in accordance with the guidance in ASC 460, "Guarantees" ("ASC 460") Topic 480 "Distinguishing Liabilities from Equity". Common stock subject to mandatory redemption, if any, is classified as the Conditional Guarantees contingently require the Company to make payments to a guaranteed party. As required by ASC 460, at the inception, the Company assessed the need to recognize a liability for instrument and is measured at fair value. Conditionally redeemable common stock (including common stock that features redemption rights that is either within the contingent component control of the guarantee (the obligation holder or subject to make future payments redemption upon the occurrence of uncertain events not solely within the Company's control) is classified as temporary equity. At all other times, common stock is classified as stockholders' equity. The Company's common stock features certain events) redemption rights that are considered to be outside of the Company's control and subject to occurrence of uncertain future events. Accordingly, as of March 31, 2024 and December 31, 2023, common stock subject to possible redemption is presented at redemption value as temporary equity, outside of the stockholders' equity section of the Company's unaudited condensed balance sheet.

The Class A common stock subject to possible redemption reflected on the unaudited condensed balance sheet as of March 31, 2024 is reconciled in accordance the following table:

Gross proceeds	\$ 172,500,000
<i>Less:</i>	
Class A common stock issuance costs	(10,100,667)
Fair value of Public Warrants at issuance	(4,672,162)
Redemptions of Class A common stock	(108,231,653)
<i>Plus:</i>	
Re-measurement of carrying value to redemption value	18,222,829
Accretion of trust earnings	14,616,106
Class A common stock subject to possible redemption	\$ 82,334,453

The Class A common stock subject to possible redemption reflected on the unaudited condensed balance sheet as of December 31, 2023 is reconciled in the following table:

Gross proceeds	\$ 172,500,000
<i>Less:</i>	
Class A common stock issuance costs	(10,100,667)
Fair value of Public Warrants at issuance	(4,672,162)
Redemptions of Class A common stock	(41,057,655)
<i>Plus:</i>	
Re-measurement of carrying value to redemption value	18,222,829
Accretion of trust earnings	12,919,599
Class A common stock subject to possible redemption	\$ 147,811,944

Net loss Per Share of Common Stock

We comply with accounting and disclosure requirements of FASB ASC Topic 260, "Earnings Per Share." Net loss per common share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. We have not considered the effect of the warrants sold in the Initial Public Offering and Private Placement in the calculation of diluted income per share, because the exercise of the warrants are contingent upon the occurrence of future events and the inclusion of such warrants

would be anti- dilutive. Accretion associated with the guidance in ASC 450, "Contingencies" ("ASC 450"). Under ASC 450, a Company redeemable Class A common stock is required to record a liability if it is probable that excluded from earnings per share as the Company would have to make a payment under the guarantee, and the payment can be reasonably estimated. See Note 4 for further detail as it relates to the Conditional Guarantees, redemption value approximates fair value.

As of September 30, 2023, the Company deemed that the payment of the Extension Notes on behalf of the Sponsor was probable and recorded a liability of \$3,706,339, including \$3,450,000 of principal and \$256,339 of accrued interest related to the Extension Notes.

Recent accounting standards

In August 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-06, Debt — Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity's Own Equity (Subtopic 815-40) ("ASU 2020-06") to simplify accounting for certain financial instruments. ASU 2020-06 eliminates the current models that require separation of beneficial conversion and cash conversion features from convertible instruments and simplifies the derivative scope exception guidance pertaining to equity classification of contracts in an entity's own equity. The new standard also introduces additional disclosures for convertible debt and freestanding instruments that are indexed to and settled in an entity's own equity. ASU 2020-06 amends the diluted earnings per share guidance, including the requirement to use the if-converted method for all convertible instruments. ASU 2020-06 is effective January 1, 2024 and should be applied on a full or modified retrospective basis, with

34

[Table of Contents](#)

early adoption permitted beginning on January 1, 2021. Management is currently evaluating the new guidance but does The Company adopted ASU 2020-06 on January 1, 2024, which did not expect the adoption of this guidance to have a material impact on its financial statements.

In December 2023, the Company's FASB issued ASU 2023-09 "Income Taxes (Topic 740): Improvements to Income Tax Disclosures," that addresses requests for improved income tax disclosures from investors that use the financial statements to make capital allocation decisions. Public entities must adopt the new guidance for fiscal years beginning after December 15, 2024. The amendments in this ASU must be applied on a retrospective basis to all prior periods presented in the financial statements and early adoption is permitted. The Company is currently evaluating the potential impact that the adoption of this standard will have on its unaudited condensed financial statements.

Management does not believe that any other recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on our unaudited condensed financial statements.

Jumpstart Our Business Startups Act of 2012

Under the JOBS Act, an "emerging growth company" can take advantage of an extended transition period for complying with new or revised accounting standards. This provision allows an "emerging growth company" to delay the adoption of new or revised accounting standards that have different transition dates for public and private companies until those standards would otherwise apply to private companies. We meet the definition of an "emerging growth company" and have elected to use this extended transition period for complying with new or revised accounting standards until the earlier of the date we (x) are no longer an emerging growth company, or (y) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our unaudited condensed financial statements and the reported results of operations contained therein may not be directly comparable to those of other public companies.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this item.

Item 4. Controls and Procedures

Limitations on effectiveness of controls and procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures

must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

[Table of Contents](#)

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed with the objective of ensuring that information required to be disclosed in our reports filed under the Exchange Act, is recorded, processed, summarized, and reported within the time period specified in the SEC's rules and forms. Disclosure controls and procedures are also designed with the objective of ensuring that such information is accumulated and communicated to our management, including the chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

In connection with this Quarterly Report on Form 10-Q, our management, with the participation of our chief executive officer and chief financial officer (our "Certifying Officers"), evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based upon that evaluation, and as a result of the material weaknesses described below and the disclosure control deficiency identified in the Company's Form 10-Q/A filed with the SEC on February 14, 2024, our Certifying Officers concluded that, as of **September 30, 2023** **March 31, 2024**, our disclosure controls and procedures were not effective at the reasonable assurance level.

Previously Identified Material Weaknesses

A material weakness is a deficiency or combination of deficiencies in **Internal Controls Over Financial Reporting** internal control over financial reporting such that there is a reasonable possibility that a material misstatement of its financial statements would not be prevented or detected on a timely basis. These deficiencies could result in additional material misstatements to our financial statements that could not be prevented or detected on a timely basis.

In As previously reported, in connection with the preparation of our unaudited condensed **consolidated** financial statements included in the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2023, a material error was identified in the calculation of the deferred underwriting commission during the second quarter of 2023 as result of not accounting for a contractual arrangement under which the underwriters agreed with the Company to waive any entitlement to their portion of the deferred underwriting fee. As a result of this error, management concluded that **existing controls failed and that** a material weakness exists in our internal control over financial reporting related to the identification of material contractual arrangements impacting the Company's financial statements. This error was corrected prior to the issuance of the unaudited **consolidated** financial statements for the three and six months ended June 30, 2023.

[Table of Contents](#)

During the third quarter of 2023, the Company withdrew \$1,075,252 of interest and dividend income earned in the Trust Account. Such **amounts Withdrawn Trust Funds** were restricted for payment of the Company's **income** tax liabilities as provided in the Company's certificate of incorporation and the terms of the Trust Agreement. During the three months ended September 30, 2023, the Company mistakenly used \$752,885 of **these funds** the **Withdrawn Trust Funds** for the payments of general operating expenses counter to the terms of the Trust Agreement. **Such amounts Subsequent to the end of the quarter ended September 30, 2023, the Company disbursed an aggregate of \$322,267, the balance of the Withdrawn Trust Funds, for payment of general operating expenses between October 1, 2023 and November 6, 2023.** The **Withdrawn Trust Funds** were disbursed without appropriate review and approval to ensure that the disbursements were made in accordance with the Trust Agreement. **Agreement ensuring an appropriate safeguarding of assets.** As a result of **this issue**, the foregoing, management concluded that **the existing control structure failed and that a material weakness exists in our internal control over financial reporting related to the review and approval of cash disbursements.**

A In addition, the disbursement of the balance of the **Withdrawn Trust Funds** subsequent to September 30, 2023 was not reported in the Company's **Quarterly Report** on Form 10-Q for the quarterly period ended September 30, 2023, originally filed with the SEC on December 19, 2023. This omission resulted in the

restatement of the Company's unaudited condensed financial statements for the quarter ended September 30, 2023. The Company's controls over the completeness of subsequent events disclosure failed and as a result of this restatement, management concluded that there was an additional material weakness is a deficiency or combination of deficiencies in our internal control over financial reporting such that there is a reasonable possibility that a relating to the reporting of material misstatement subsequent event information in the notes to the financial statements.

40

[Table of its financial statements would not be prevented or detected on a timely basis. These deficiencies could result in additional material misstatements to our financial statements that could not be prevented or detected on a timely basis.](#) [Contents](#)

Remediation Process Efforts to Address Previously Identified Material Weaknesses

To address this these material weaknesses, management has devoted, and plans to continue to devote, significant effort and resources to the remediation and improvement of its internal control over financial reporting and to enhance reporting. In particular, management's plans include enhanced controls and improve improved internal communications within the Company and its financial reporting advisors and related to the identification of any new contractual arrangements, as well as controls to ensure the Company has oversight of the cash availability for operating needs. We can offer no assurance needs, including more clearly designating in the Company's internal books and records the cash that these initiatives will ultimately have is restricted in its use and the intended effects. implementation of an additional layer of review of payments for operating expenses to ensure that restricted cash is not used for payment of general operating expenses, and conducting remedial training for management, relevant staff and service providers to reiterate and reinforce the terms of the Trust Agreement. Management's remediation plan also includes the addition of a control requiring the Company's audit committee to approve any withdrawals from the Trust Account and requiring the placement of such withdrawn funds in a restricted account for the payment of taxes. To address the material weakness identified in connection with the restatement of the Company's financial statements for the quarter ended September 30, 2023, management has added a control requiring enhanced documentation of discussions between management, the Company's advisors and the Company's audit committee regarding subsequent events to ensure appropriate consideration of the completeness of subsequent event disclosures.

As of September 30, 2023 March 31, 2024, we continue to implement our remediation plan and we believe we have put in place the processes, procedures and reviews necessary to address the material weaknesses, however until we the applicable controls operate for a sufficient period of time and management has concluded, through testing, that these controls are able to test the operational effectiveness of the controls, operating effectively, the material weaknesses will not be considered remediated. We can offer no assurance that these initiatives will ultimately have the intended effects. We are committed to the continuous improvement of our internal control over financial reporting and will continue to diligently review our internal control over financial reporting.

Changes in Internal Control Over Financial Reporting

Other than changes that have resulted from the material weaknesses remediation activities noted Except as described above under "Remediation Efforts to Address Previously Identified Material Weaknesses," there were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended September 30, 2023 March 31, 2024, that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

36 41

[Table of Contents](#)

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

Factors that could cause our actual results to differ materially from those in this Quarterly Report on Form 10-Q include the risk disclosed under Part I, Item 1A, "Risk Factors" in our **2022** **2023** Form 10-K, which information is incorporated herein by reference. Any of these factors could result in a significant or material adverse effect on our business. **Additional risks could arise that may also affect our business or ability to consummate an initial Business Combination. Other than as the below, as** of the date of this Quarterly Report on Form 10-Q, there have been no material changes to the risk factors previously disclosed in our **2022** **2023** Form 10-K. We may disclose additional changes to such risk factors or disclose additional risk factors from time to time in our future filings with the SEC.

For a discussion of risks factors related to proposed Unifund Business Combination, see the Registration Statement (File No. 333-273362) initially filed by the Company and the NewPubco with the SEC on July 21, 2023 and subsequently amended.

As of September 30, 2023, the Company held \$322,367 outside of the Trust Account (reserved for tax payments) and had a working capital deficit of \$14,273,909, which excludes current liabilities associated with franchise and income taxes, which is not sufficient to allow the Company to operate for at least the next 12 months from the issuance of the condensed financial statements contained elsewhere in this Quarterly Report on Form 10-Q, assuming that the proposed Business Combination is not consummated during that time. The Company has incurred and expects to continue to incur significant costs in pursuit of consummating the proposed Business Combination. While the Company expects to have sufficient access to additional sources of capital under the Working Capital Loans, there is no current commitment on the part of any financing source to provide additional capital and no assurances can be provided that such additional capital will ultimately be available if necessary. Further, if a business combination is not consummated by December 28, 2023, unless further extended pursuant to the Charter Amendment Proposals, there will be a mandatory liquidation and subsequent dissolution of the Company. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

If the Company is unable to raise additional capital, it may be required to take additional measures to conserve liquidity, which could include, but are not limited to, curtailing operations, reducing overhead expenses and suspending the pursuit of the proposed Business Combination. The Company cannot provide any assurance that financing sources will be available to it on commercially acceptable terms or if at all, or that it will be able to consummate the proposed Business Combination within the Combination Period. Management has determined that the liquidity condition, potential mandatory liquidation and subsequent dissolution raises substantial doubt about the Company's ability to continue as a going concern. The condensed financial statements included in this Quarterly Report on Form 10-Q do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern.

We have identified material weaknesses in our internal control over financial reporting. If we are unable to develop and maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results in a timely manner, which may adversely affect investor confidence in us and materially and adversely affect our business and operating results.

As described elsewhere in this Quarterly Report on Form 10-Q, we have identified material weaknesses in our internal control over financial reporting related to the identification of material contractual arrangements impacting the Company's financial statements and related to the review and approval of cash disbursements, specifically the Company's use of trust account funds restricted for payment of the Company's income tax liabilities for general operating expenses counter to the terms of the Trust Agreement. As a result of these material weaknesses, our management has concluded that our disclosure controls and procedures were not effective as of September 30, 2023. See Part I. Item 4. Controls and Procedures included in this Quarterly Report on Form 10-Q.

Table of Contents

We have taken a number of measures to remediate the material weaknesses described herein. However, the elements of our remediation plan can only be accomplished over time, and we can offer no assurance that these initiatives will ultimately have the intended effects. If we are unable to remediate our material weaknesses in a timely manner or we identify additional material weaknesses, we may be unable to provide required financial information in a timely and reliable manner and we may incorrectly report financial information. Likewise, if our financial statements are not filed on a timely basis, we could be subject to sanctions or investigations by the stock exchange on which our Class A common stock is listed, the SEC or other regulatory authorities. The existence of material weaknesses in internal control over financial reporting could adversely affect our reputation or investor perceptions of us, which could have a negative effect on the trading price of our shares. As a result of the material weaknesses in our internal controls over financial reporting described above, we face potential for litigation or other disputes which may include, among others, claims invoking the federal and state securities laws, claims related to the preparation of our financial statements, contractual claims, including as a result of withdrawing funds from the trust account for purposes not authorized under the terms of

the Trust Agreement. As of the date of this annual report, we have no knowledge of any such litigation or dispute. However, 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 or our ability to complete an initial business combination.

We can give no assurance that the measures we have taken and plan to take in the future will remediate the material weaknesses identified or that any additional material weaknesses or restatements of financial results will not arise in the future due to a failure to implement and maintain adequate internal control over financial reporting or circumvention of these controls. Even if we are successful in strengthening our controls and procedures, in the future those controls and procedures may not be adequate to prevent or identify irregularities or errors or to facilitate the fair presentation of our financial statements.

If we identify any new material weaknesses in the future, any such newly identified material weakness could limit our ability to prevent or detect a misstatement of our accounts or disclosures that could result in a material misstatement of our annual or interim financial statements. In such case, we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports in addition to applicable stock exchange listing requirements, investors may lose confidence in our financial reporting and our share price may decline as a result. We cannot assure you that any measures we may take in the future, will be sufficient to avoid potential future material weaknesses.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Recent Sales of Unregistered Securities

There were no unregistered sales of our equity securities during the three months ended March 31, 2024, that were not otherwise disclosed in a Current Report on Form 8-K.

Use of Proceeds and Issuer Purchases of Equity Securities from the IPO

On November 29, 2021, we consummated our IPO of 17,250,000 units, including 2,250,000 units sold pursuant to the full exercise of the underwriters' over-allotment option. The units sold were registered pursuant to a registration statement on Form S-1 (File No. 333-260343), as amended, declared effective by the SEC on November 23, 2021. Simultaneously with the closing of the IPO, we completed the private sale of 6,333,333 private placement warrants at a purchase price of \$1.50 per private placement warrant to the Sponsor. No underwriting discounts or commissions were paid with respect to the private placement. The private placement warrants were issued pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act.

The sale of the units in the IPO and the concurrent sale of the private placement warrants generated gross proceeds to the Company of \$182,000,000, consisting of \$172,500,000 from the sale of the units and \$9,500,000 from the sale of the private placement warrants. In connection with the closing of the IPO, we paid a total of \$3,450,000 in underwriting discounts and commissions and \$600,000 \$943,614 for other costs and expenses related to the IPO. In addition, the underwriter agreed to defer \$6,037,500 in underwriting discounts and commissions. No payments for such expenses were made directly or indirectly to (i) any of our officers or directors or their associates, (ii) any persons owning 10% or more of any class of our equity securities, or (iii) any of our affiliates.

There has been no material change in the expected use of the net proceeds from our IPO, as described in our final IPO prospectus, filed with the SEC on November 24, 2021.

In connection with the shareholder vote to approve the Extension Amendment Proposal at the 2023 Special Meeting on August 24, 2023, the holders of 3,825,869 shares of Class A common stock exercised their right to redeem such shares at a per share redemption price of approximately \$10.73, and an aggregate of \$41,057,655 was withdrawn from the trust account. Following the 2023 Special Meeting and associated redemptions, we had approximately \$144.9 million left remaining in the Trust Account.

There were no unregistered sales in connection with the shareholder vote to approve the Extension Amendment Proposal at the 2024 Special Meeting on February 26, 2024, the holders of our equity securities during 6,032,023 shares of Class A common stock exercised their right to redeem such shares at a per share redemption price of approximately \$11.14, and an aggregate of \$67.2 million was withdrawn from the three months ended September 30, 2023, that were not otherwise disclosed trust account. Following the 2024 Special Meeting and associated redemptions, we had approximately \$82.7 million left remaining in a Current Report on Form 8-K the Trust Account.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

(a) None.

(b) None.

(c) During the three months ended March 31, 2024, no director or "officer" (as defined in Rule 16a-1(f) under the Exchange Act) of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

3943

[Table of Contents](#)**Item 6. Exhibits****INDEX TO EXHIBITS**

Exhibit Number	Incorporated by Reference						Incorporated by Reference					
	Exhibit Description	Form	File No.	Exhibit	Filing Date	Filed/Herewith	Exhibit Description	Form	File No.	Exhibit	Filing Date	Filed/Herewith
2.1†	Business Combination Agreement, dated as of May 19, 2023, by and among the Company, Unifund Financial Technologies, Inc., Unifund Holdings, LLC and USV, LLC	10-Q	001-41100	2.1	08/14/23		Business Combination Agreement, dated as of May 19, 2023, by and among the Company, Unifund Financial Technologies, Inc., Unifund Holdings, LLC and USV, LLC	10-Q	001-41100	2.1	08/14/23	

2.2		<u>Waiver and Consent to Business Combination Agreement and Plan of Merger, dated as of February 25, 2024, by and among Everest Consolidator Acquisition Corporation, Everest Consolidator Sponsor, LLC and Unifund Holdings, LLC.</u>	8-K 001-41100 2.1 02/26/24
3.1	<u>Amended and Restated Certificate of Incorporation</u>	8-K 001-41100 3.1 11/29/21	<u>Amended and Restated Certificate of Incorporation</u> 8-K 001-41100 3.1 11/29/21
3.2	<u>Amendment to the Amended and Restated Certificate of Incorporation of the Company.</u>	8-K 001-41100 3.1 08/25/23	<u>Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Company.</u> 8-K 001-41100 3.1 08/25/23
3.3	<u>Amended and Restated Bylaws</u>	8-K 001-41100 3.2 11/29/21	<u>Certificate of Amendment to the Amended and Restated Certificate of Incorporation</u> 8-K 001-41100 3.1 2/26/24
3.4			<u>Amended and Restated Bylaws</u> 8-K 001-41100 3.2 11/29/21

10.1	<u>Amendment to the Investment Management Trust Agreement, dated as of August 25, 2023, by and between Everest Consolidator Acquisition Corporation and Equiniti Trust LLC (f/k/a American Stock Transfer & Trust Company, LLC).</u>	8-K 001-41100 10.1 08/25/23	<u>Second Amended and Restated Promissory Note, dated March 26, 2023, issued by Everest Consolidator Acquisition Corporation to Everest Consolidator Sponsor LLC.</u>	8-K 001-41100 10.1 3/26/24
10.2	<u>Amended and Restated Promissory Note, dated December 7, 2023, issued by Everest Consolidator Acquisition Corporation to Everest Consolidator Sponsor, LLC</u>	8-K 001-41100 10.1 12/13/23	<u>Second Amendment to the Investment Management Trust Agreement, dated as of February 26, 2024, by and between Everest Consolidator Acquisition Corporation and American Stock Transfer & Trust Company, LLC.</u>	8-K 001-41100 10.1 2/26/24
10.3			<u>Commitment Letter, dated May 8, 2024, issued by Everest Consolidator Sponsor LLC to Everest Consolidator Acquisition Corporation.</u>	8-K 001-41100 10.1 5/10/24

10.4		<u>Third Amended</u> <u>8-K</u> <u>001-41100</u> <u>10.2</u> <u>5/10/24</u> <u>and Restated</u> <u>Promissory</u> <u>Note, dated May</u> <u>10, 2024, issued</u> <u>by</u> <u>Everest</u> <u>Consolidator</u> <u>Acquisition</u> <u>Corporation to</u> <u>Everest</u> <u>Consolidator</u> <u>Sponsor, LLC</u>
31.1	<u>Certification</u> <u>of</u> <u>Principal Executive</u> <u>Officer and Principal</u> <u>Financial Officer</u> <u>pursuant to Rule 13a-</u> <u>14(a)/15d-14(a)</u>	* <u>Certification</u> <u>of</u> <u>Principal</u> <u>Executive</u> <u>Officer and</u> <u>Principal</u> <u>Financial Officer</u> <u>pursuant to Rule</u> <u>13a-14(a)/15d-</u> <u>14(a)</u> *
32.1	<u>Certification</u> <u>of</u> <u>Principal Executive</u> <u>Officer and Principal</u> <u>Financial Officer</u> <u>pursuant to 18 U.S.C.</u> <u>Section 1350</u>	**
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	*
101.SCH	Inline XBRL Taxonomy Extension Schema Document	*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	*

[Table of Contents](#)

32.1	Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350	**
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	*
101.SCH	Inline XBRL Taxonomy Extension Schema Document	*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	*

* Filed herewith.

** This certification is being furnished solely to accompany this Quarterly Report on Form 10-Q and are not deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, nor shall they be deemed incorporated by reference into any filing under the Securities Act of the Exchange Act.

† Schedules to this exhibit have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Registrant hereby agrees to furnish a copy of any omitted schedules to the Commission upon request.

4145

[Table of Contents](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

EVEREST CONSOLIDATOR ACQUISITION CORPORATION

Date: **December 19, 2023** May 20, 2024

By: /s/ Adam Dooley

Adam Dooley

(Principal Executive Officer,

Principal Financial Officer and Principal Accounting Officer)

Exhibit 31.1**CERTIFICATION**

I, Adam Dooley, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Everest Consolidator Acquisition Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **December 19, 2023** May 20, 2024

By: /s/ Adam Dooley

Adam Dooley

Chief Executive Officer

*(Principal Executive Officer, Principal Financial Officer and
Principal Accounting Officer)*

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Everest Consolidator Acquisition Corporation (the "Company") for the quarter ended **September 30, 2023** **March 31, 2024** as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **December 19, 2023** **May 20, 2024**

By: /s/ Adam Dooley

Adam Dooley

Chief Executive Officer

*(Principal Executive Officer, Principal Financial Officer and
Principal Accounting Officer)*

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2024, Refinitiv. All rights reserved. Patents Pending.