

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

FORM 10-Q

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

For the quarterly period ended 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: 001-41076

SHOULDERUP TECHNOLOGY ACQUISITION CORP.  
(Exact name of registrant as specified in its charter)

|   |  |
|---|--|
| Delaware  | 87-1730135                                 |
| (State or other jurisdiction<br>of incorporation) | (I.R.S. Employer<br>Identification Number) |
| 125 Townpark Drive, Suite 300<br>Kennesaw, GA     | 30144                                      |
| (Address of principal executive offices)          | (Zip Code)                                 |

(970) 924-0446  
(Registrant's telephone number, including area code)

Not Applicable  
(Former name or former address, if changed since last report)

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

| Title of Each Class:   | Trading Symbol(s) | Name of Each Exchange on Which Registered: |
|--|-------------------|--|
| Units, each consisting of one share of Class A Common Stock, \$0.0001 par value, and one-third of one redeemable warrant | SUAC.U            | (1)  |
| Class A Common Stock, \$0.0001 par value   | SUAC              | (1)  |
| Redeemable Warrants, each exercisable for one share of Class A Common Stock for \$11.50 per share                        | SUAC.WS           | (1)  |

(1) On December 19, 2023, the NYSE filed a Form 25 to delist the Company securities. The delisting was effective on December 29, 2023. On March 6, 2024, pursuant to Rule 15c-211 of the U.S. Securities Exchange Act, as amended, a market maker filed a Form 211 with the Financial Industry Regulatory Authority, Inc. to initiate proprietary trading of the Class A common stock, the units, and the warrants of ShoulderUp Technology Acquisition Corp. on the "pink sheets" of OTC Market Group Inc. The securities are expected to be quoted on the Pink Sheets.

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 the 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 June 12, 2024, there were 2,209,414 shares of Class A Common Stock, \$0.0001 par value per share ("Class A Common Stock"), issued and outstanding which includes shares of Class A Common Stock underlying the Units sold in the registrant's initial public offering, and of which 859,414 shares of Class A Common Stock trade separately, and 10,450,000 shares of Class B Common Stock, \$0.0001 par value per share ("Class B Common Stock"), issued and outstanding.

SHOULDERUP TECHNOLOGY ACQUISITION CORP.  
FORM 10-Q  
FOR THE QUARTER ENDED MARCH 31, 2024

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**PART I - FINANCIAL INFORMATION**

**Item 1. Condensed Consolidated Financial Statements**

**SHOULDERUP TECHNOLOGY ACQUISITION CORP.  
CONDENSED CONSOLIDATED BALANCE SHEETS**

|  | <b>March 31, 2024</b> | <b>December 31,</b>  |
|--|-----------------------|----------------------|
|  | <b>(unaudited)</b>    | <b>2023</b>          |
| <b>Assets:</b>   |                       |                      |
| Current assets:  |                       |                      |
| Cash   | \$ 335,304            | \$ 403,456           |
| <b>Total current assets</b>  | <b>335,304</b>        | <b>403,456</b>       |
| Cash held in Trust Account   | 21,356,778            | 21,099,267           |
| <b>Total Assets</b>  | <b>\$ 21,692,082</b>  | <b>\$ 21,502,723</b> |
| <b>Liabilities, Class A Common Stock Subject to Possible Redemption, and Stockholders' Deficit:</b>  |                       |                      |
| Current liabilities:   |                       |                      |
| Accounts payable   | \$ 1,053,046          | \$ 798,071           |
| Franchise tax payable  | 91,506                | 38,800               |
| Income tax payable   | 345,055               | 301,072              |
| Excise tax payable   | 2,925,014             | 2,925,014            |
| Due to related party   | 148,272               | 118,272              |
| <b>Total current liabilities</b>   | <b>4,562,893</b>      | <b>4,181,229</b>     |
| Non-redemption agreements derivative liability   | 6,893,760             | 6,646,080            |
| Deferred underwriting commissions  | 11,200,000            | 11,200,000           |
| <b>Total liabilities</b>   | <b>22,656,653</b>     | <b>22,027,309</b>    |
| <b>Commitments and Contingencies</b>   |                       |                      |
| Class A common stock subject to possible redemption, \$0.0001 par value; 1,984,568 shares issued and outstanding at redemption value of approximately \$10.70 and \$10.63 per share as of March 31, 2024 and December 31, 2023, respectively | 21,232,074            | 21,108,225           |
| <b>Stockholders' Deficit:</b>  |                       |                      |
| Preferred stock, \$0.0001 par value; 1,000,000 shares authorized; none issued or outstanding   | —                     | —                    |
| Class A common stock, \$0.0001 par value; 300,000,000 shares authorized; 1,350,000 shares issued and outstanding (excluding 1,984,568 shares subject to possible redemption) as of March 31, 2024 and December 31, 2023, respectively        | 135                   | 135                  |
| Convertible Class B common stock, \$0.0001 par value; 20,000,000 shares authorized; 10,450,000 shares issued and outstanding   | 1,045                 | 1,045                |
| Additional paid-in capital   | —                     | —                    |
| Subscription receivable  | (600,000)             | (600,000)            |
| Accumulated deficit  | (21,597,825)          | (21,033,991)         |
| <b>Total stockholders' deficit</b>   | <b>(22,196,645)</b>   | <b>(21,632,811)</b>  |
| <b>Total Liabilities, Class A Common Stock Subject to Possible Redemption, and Stockholders' Deficit</b>   | <b>\$ 21,692,082</b>  | <b>\$ 21,502,723</b> |

*The accompanying notes are an integral part of these unaudited Condensed Consolidated financial statements.*

**SHOULDERUP TECHNOLOGY ACQUISITION CORP.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(UNAUDITED)**

|   | For the Three Months Ended<br>March 31, |                     |
|---|---|---------------------|
|   | 2024                                    | 2023                |
| General and administrative expenses   | \$ 357,763                              | \$ 205,886          |
| Franchise tax expense   | 52,706                                  | 50,400              |
| <b>Loss from operations</b>   | <b>(410,469)</b>                        | <b>(256,286)</b>    |
| Other income and expenses:  |   |                     |
| Change in fair value of derivative liability  | (247,680)                               | —                   |
| Interest income from operating account  | 4,635                                   | 7                   |
| Income from cash and investments held in Trust Account  | 257,512                                 | 3,286,169           |
| Total other income, net   | 14,467                                  | 3,286,176           |
| Net (loss) income before income taxes   | (396,002)                               | 3,029,890           |
| Income tax expense  | (43,983)                                | (679,513)           |
| <b>Net (loss) income</b>  | <b>\$ (439,985)</b>                     | <b>\$ 2,350,377</b> |
| Weighted average shares outstanding of redeemable Class A common stock, basic and diluted                 | 1,984,568                               | 30,000,000          |
| <b>Basic and diluted net (loss) income per share, redeemable Class A common stock</b>                     | <b>\$ (0.03)</b>                        | <b>\$ 0.06</b>      |
| Weighted average shares outstanding of non-redeemable Class A and Class B common stock, basic and diluted | 11,800,000                              | 11,800,000          |
| <b>Basic and diluted net (loss) income per share, non-redeemable Class A and Class B common stock</b>     | <b>\$ (0.03)</b>                        | <b>\$ 0.06</b>      |

*The accompanying notes are an integral part of these unaudited Condensed Consolidated financial statements.*

**SHOULDERUP TECHNOLOGY ACQUISITION CORP.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT**  
**(UNAUDITED)**

**FOR THE THREE MONTHS ENDED MARCH 31, 2024**

|   | Common Stock |        |                     |          | Additional<br>Paid-in<br>Capital | Subscription<br>Receivable | Accumulated<br>Deficit | Total<br>Stockholders'<br>Deficit |
|---|--------------|--------|---------------------|----------|----------------------------------|----------------------------|------------------------|-----------------------------------|
|   | Class A      |        | Convertible Class B |          |                                  |                            |                        |                                   |
|   | Shares       | Amount | Shares              | Amount   |                                  |                            |                        |                                   |
| Balance - December 31, 2023   | 1,350,000    | \$ 135 | 10,450,000          | \$ 1,045 | \$ —                             | \$ (600,000)               | \$ (21,033,991)        | \$ (21,632,811)                   |
| Increase in redemption value of<br>Class A common stock subject<br>to possible redemption | —            | —      | —                   | —        | —                                | —                          | (123,849)              | (123,849)                         |
| Net loss  | —            | —      | —                   | —        | —                                | —                          | (439,985)              | (439,985)                         |
| Balance - March 31, 2024<br>(unaudited)   | 1,350,000    | \$ 135 | 10,450,000          | \$ 1,045 | \$ —                             | \$ (600,000)               | \$ (21,597,825)        | \$ (22,196,645)                   |

**FOR THE THREE MONTHS ENDED MARCH 31, 2023**

|  | Common Stock |        |            |          | Additional<br>Paid-in<br>Capital | Subscription<br>Receivable | Accumulated<br>Deficit | Total<br>Stockholders'<br>Deficit |
|--|--------------|--------|------------|----------|----------------------------------|----------------------------|------------------------|-----------------------------------|
|  | Class A      |        | Class B    |          |                                  |                            |                        |                                   |
|  | Shares       | Amount | Shares     | Amount   |                                  |                            |                        |                                   |
| Balance - December 31, 2022  | 1,350,000    | \$ 135 | 10,450,000 | \$ 1,045 | \$ —                             | \$ (600,000)               | \$ (10,428,727)        | \$ (11,027,547)                   |
| Net income   | —            | —      | —          | —        | —                                | —                          | 2,350,377              | 2,350,377                         |
| Accretion for Class A common<br>stock subject to possible<br>redemption amount | —            | —      | —          | —        | —                                | —                          | (2,556,256)            | (2,556,256)                       |
| Balance - March 31, 2023<br>(unaudited)  | 1,350,000    | \$ 135 | 10,450,000 | \$ 1,045 | \$ —                             | \$ (600,000)               | \$ (10,634,606)        | \$ (11,233,426)                   |

*The accompanying notes are an integral part of these unaudited Condensed Consolidated financial statements.*

**SHOULDERUP TECHNOLOGY ACQUISITION CORP.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

|  | <b>For the Three Months Ended<br/>March 31,</b> |                   |
|--|---|-------------------|
|  | <b>2024</b>                                     | <b>2023</b>       |
| <b>Cash Flows from Operating Activities:</b>   |   |                   |
| Net (loss) income  | \$ (439,985)                                    | \$ 2,350,377      |
| Adjustments to reconcile net (loss) income to net cash used in operating activities: |   |                   |
| Income from cash and investments held in Trust Account                               | (257,512)                                       | (3,286,169)       |
| Change in fair value of derivative liability   | 247,680   | —                 |
| Changes in operating assets and liabilities:   |   |                   |
| Prepaid expenses   | —   | 8,308             |
| Accounts payable   | 254,976   | 58,080            |
| Franchise tax payable  | 52,706  | (50,882)          |
| Income tax payable   | 43,983  | 679,513           |
| Due to related party   | 30,000  | 3,729             |
| <b>Net cash used in operating activities</b>   | <b>(68,152)</b>                                 | <b>(237,044)</b>  |
| <b>Cash Flows from Investing Activities:</b>   |   |                   |
| Investment income released from Trust Account to pay for taxes                       | —   | 101,282           |
| <b>Net cash provided by investing activities</b>                                     | <b>—</b>  | <b>101,282</b>    |
| <b>Net change in cash</b>  | <b>(68,152)</b>                                 | <b>(135,762)</b>  |
| Cash - beginning of the period   | 403,456   | 409,725           |
| <b>Cash - end of the period</b>  | <b>\$ 335,304</b>                               | <b>\$ 273,963</b> |

*The accompanying notes are an integral part of these unaudited Condensed Consolidated financial statements.*

**SHOULDERUP TECHNOLOGY ACQUISITION CORP.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1 - Organization and Business Operation**

ShoulderUp Technology Acquisition Corp. (the “Company”) is a blank check company formed as a Delaware corporation on May 20, 2021 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 has not selected any specific Business Combination target and the Company has not, nor has anyone on its behalf, engaged in any substantive discussions, directly or indirectly, with any Business Combination target with respect to an initial Business Combination with the Company.

As of March 31, 2024, the Company has neither engaged in any operations nor generated any revenues. All activity for the period from May 20, 2021 (inception) through March 31, 2024 relates to the Company’s formation and its initial public offering (the “Initial Public Offering” or “IPO”) described below, and, subsequent to the Initial Public Offering, identifying a target company for 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 generates non-operating income in the form of interest income on the proceeds derived from the Initial Public Offering.

The Company’s Sponsor is ShoulderUp Technology Sponsor LLC, a Delaware limited liability company (the “Sponsor”).

The registration statements for the Company’s IPO were declared effective on November 17, 2021. On November 19, 2021, the Company consummated the IPO of 30,000,000 units, including 3,500,000 units pursuant to the exercise of the underwriters’ over-allotment option in full, at \$10.00 per unit (the “Units”), which is discussed in Note 3, generating gross proceeds to the Company of \$300,000,000. Each Unit consists of one share (the “Public Shares”) of Class A common stock, par value \$0.0001 per share (“Class A common stock”), and one-half of one warrant (the “Public Warrants”). Each whole Public Warrant is exercisable to purchase one whole share of Class A common stock at \$11.50 per share.

Simultaneously with the consummation of the IPO, the Company consummated the private placement of 1,350,000 private units (the “Private Units”) at a price of \$10.00 per Private Unit in a private placement, generating gross proceeds to the Company of \$13,500,000, of which \$600,000 has not been funded and was recorded as subscription receivable, which is described in Note 4. Each Private Unit consists of one share of Class A common stock (the “Private Placement Shares”) and one-half of one warrant (the “Private Placement Warrants”). Each whole Private Placement Warrant is exercisable to purchase one whole share of Class A common stock at \$11.50 per share.

Transaction costs amounted to \$17,820,368 consisting of \$5,300,000 of underwriting commissions, \$11,200,000 of deferred underwriting commissions, and \$1,320,368 of other offering costs (including \$795,000 of offering costs reimbursed by the underwriters) and was allocated between Class A common stock subject to possible redemption, Public Warrants, Private Placement Shares, and Private Placement Warrants.

The Company must complete one or more initial Business Combinations having an aggregate fair market value of at least 80% of the value of the assets held in the Trust Account (as defined below) (excluding the deferred underwriting commissions and taxes payable on the income earned on the Trust Account) at the time of the signing a definitive agreement in connection with the initial Business Combination. However, the Company will only complete such Business Combination if the post-transaction company owns or acquires 50% or more of the outstanding voting securities of the target or otherwise acquires a controlling interest in the target sufficient for it not to be required to register as an investment company under the Investment Company Act 1940, as amended (the “Investment Company Act”). There is no assurance that the Company will be able to complete a Business Combination successfully.

Following the closing of the IPO on November 19, 2021, \$306,000,000 (\$10.20 per Unit) from the net proceeds of the sale of the Units in the IPO and the sale of the Private Units was deposited into a trust account (the “Trust Account”), located in the United States with Continental Stock Transfer & Trust Company acting as trustee, which may only be invested in United States “government securities” within the meaning of Section 2(a)(16) of the Investment Company Act having a maturity of 185 days or less or in money market funds meeting certain conditions under Rule 2a-7 promulgated under the Investment Company Act which invest only in direct U.S. government treasury obligations. To mitigate the risk that the Company might be deemed to be an investment company for purposes of the Investment Company Act, on December 28, 2023 we instructed the trustee to liquidate the investments held in the Trust Account and instead to hold the funds in the Trust Account in an interest bearing demand deposit account until the earlier of the consummation of a Business Combination or our liquidation. Except with respect to interest earned on the funds held in the Trust Account that may be released to the Company to pay tax obligations and up to \$100,000 to pay dissolution expenses, the proceeds from the IPO and the sale of the Private Shares will not be released from the Trust Account until the earlier of the completion of a Business Combination or the Company’s redemption of 100% of the outstanding public shares if it has not completed a Business Combination in the required time period. The proceeds held in the Trust Account may be used as consideration to pay the sellers of a target business with which the Company completes a Business Combination. Any amounts not paid as consideration to the sellers of the target business may be used to finance operations of the target business.

**SHOULDERUP TECHNOLOGY ACQUISITION CORP.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The Company will provide its public stockholders with the opportunity to redeem all or a portion of their Public Shares upon the completion of the initial Business Combination either (i) in connection with a stockholder meeting called to approve the Business Combination or (ii) without a stockholder vote by means of a tender offer. The decision as to whether the Company will seek stockholder approval of a proposed Business Combination or conduct a tender offer will be made by the Company, solely in its discretion. The public stockholders are entitled to redeem all or a portion of their Public Shares upon the completion of the initial Business Combination at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account calculated as of two business days prior to the consummation of the initial Business Combination, including interest earned on the funds held in the Trust Account (which interest shall be net of taxes payable), divided by the number of then outstanding Public Shares, subject to the limitations and on the conditions described herein. The amount in the Trust Account initially deposited into the Trust following the closing of the IPO was \$10.20 per Public Share.

All of the Public Shares contain a redemption feature which allows for the redemption of such Public Shares in connection with the Company's liquidation, if there is a stockholder vote or tender offer in connection with the initial Business Combination and in connection with certain amendments to the Company's amended and restated certificate of incorporation.

In accordance with SEC and its guidance on redeemable equity instruments, which has been codified in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 480-10-S99, redemption provisions not solely within the control of a company require common stock subject to redemption to be classified outside of permanent equity. Given that the Public Shares were issued with Public Warrants, the initial carrying value of common stock classified as temporary equity was then allocated proceeds determined in accordance with FASB ASC 470-20. The Public Shares are subject to FASB ASC 480-10-S99. If it is probable that the equity instrument will become redeemable, the Company has the option to either (i) accrete changes in the redemption value over the period from the date of issuance (or from the date that it becomes probable that the instrument will become redeemable, if later) to the earliest redemption date of the instrument or (ii) recognize changes in the redemption value immediately as they occur and adjust the carrying amount of the instrument to equal the redemption value at the end of each reporting period. The Company has elected to recognize the changes immediately as they occur, measured at the end of each reporting period.

The initial stockholders, sponsor, officers and directors have entered into a letter agreement with the Company, pursuant to which they have agreed to (i) waive their redemption rights with respect to any shares of Class B common stock, par value \$0.0001 (the "Founder Shares"), Private Placement Shares and Public Shares they hold in connection with the completion of the initial Business Combination, (ii) waive their redemption rights with respect to any Founder Shares and Public Shares they hold in connection with a stockholder vote to approve an amendment to the Company's amended and restated certificate of incorporation, and (iii) waive their rights to liquidating distributions from the Trust Account with respect to any Founder Shares they hold if the Company fails to complete the initial Business Combination within the Combination Period or during any Extension Period (although they will be entitled to liquidating distributions from the Trust Account with respect to any Public Shares they hold if the Company fails to complete the initial Business Combination within the prescribed time frame).

The Sponsor has agreed that it will be liable to the Company if and to the extent any claims by a third party for services rendered or products sold to the Company, or a prospective target business with which the Company has entered into a written letter of intent, confidentiality or other similar agreement or Business Combination agreement, reduce the amount of funds in the Trust Account to below the lesser of (i) \$10.20 per Public Share and (ii) the actual amount per Public Share held in the Trust Account as of the date of the liquidation of the Trust Account, if less than \$10.20 per Public Share due to reductions in the value of the trust assets, less taxes payable, provided that such liability will not apply to any claims by a third party or prospective target business who executed a waiver of any and all rights to the monies held in the Trust Account (whether or not such waiver is enforceable) nor will it apply to any claims under the Company's indemnity of the underwriters of the IPO against certain liabilities, including liabilities under the Securities Act. However, the Company has not asked the Sponsor to reserve for such indemnification obligations, nor has the Company independently verified whether the Sponsor has sufficient funds to satisfy its indemnity obligations, and the Company believes that the Sponsor's only assets are securities of the Company. Therefore, the Company cannot assure that the Sponsor would be able to satisfy those obligations.



**SHOULDERUP TECHNOLOGY ACQUISITION CORP.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

On April 20, 2023, the Company held a special meeting of its stockholders (the “Special Meeting”). At the Special Meeting, the Company’s stockholders approved an amendment to the Company’s Amended and Restated Certificate of Incorporation that extends the date by which the Company must consummate a business combination transaction from May 19, 2023, to November 19, 2023 (the date which is 24 months from the closing date of the Company’s initial public offering of units). The certificate of amendment was filed with the Delaware Secretary of State and has an effective date of April 21, 2023. In connection with Special Meeting, holders of 25,845,428 shares of the Company’s Class A common stock exercised their right to redeem their shares for a cash redemption price of approximately \$10.43 per share, or an aggregate redemption amount of \$269,597,445. Following such redemptions, approximately 4,154,572 shares of Class A common stock remain issued and outstanding.

On October 16, 2023, the Company announced that it has entered into a non-binding letter of intent for a potential business combination with Airspace Experience Technologies, Inc., a pioneer in the urban mobility market. The non-binding letter of intent was terminated on December 1, 2023.

On November 17, 2023, the Company, held a special meeting of its stockholders (the “Special Meeting”). At the Special Meeting, the Company’s stockholders approved an amendment to the Company’s Amended and Restated Certificate of Incorporation that extends the date (the “Termination Date”) by which the Company must consummate a business combination (the “Charter Extension”) from November 19, 2023 (the “Original Termination Date”) to May 19, 2024 or such earlier date as may be determined by the Company’s board of directors in its sole discretion (the “Charter Extension Date”). The certificate of amendment was filed with the Delaware Secretary of State and has an effective date of November 15, 2023. In connection with the Extension Amendment Proposal, holders of 2,170,004 shares of the Company’s common stock properly exercised their right to redeem their shares. \$22,904,010 or \$10.55 per share was withdrawn from the Trust Account, leaving \$20,946,765 in the Trust Account after the redemptions.

On December 28, 2023, the Company held an annual meeting of its stockholders (the “Annual Meeting”). At the Annual Meeting, the Company’s stockholders approved an amendment to the Company’s Amended and Restated Certificate of Incorporation to allow for the right of a holder of Class B common stock of the Company to convert its shares of Class B common stock into shares of Class A common stock on a one-to-one basis at any time and from time to time at the election of the holder. The newly issued Class A common stock would not have any redemption rights and would continue to be subject to a lock-up period upon consummation of the business combination.

On December 19, 2023, the NYSE filed a Form 25 to delist the Company securities. The delisting was effective on December 29, 2023. On March 6, 2024, pursuant to Rule 15c-211 of the U.S. Securities Exchange Act, as amended (the “Exchange Act”), as amended, a market maker filed a Form 211 with the Financial Industry Regulatory Authority, Inc. (“FINRA”) to initiate proprietary trading of the Class A common stock, the units, and the warrants of the Company. Pursuant to Rule 15c2-11 (the “Exchange Act”), the submission of Form 211 to the FINRA OTC Compliance Unit enables broker-dealers to initiate or resume trading quotes on the “pink sheets” by OTC Markets Group Inc. for securities not listed on the New York Stock Exchange or The Nasdaq Stock Market LLC. The securities are expected to be quoted on the Pink Sheets, but there can be no assurance if or when this will occur.

On May 17, 2024, the Company held a special meeting of its stockholders (the “Special Meeting”). At the Special Meeting, the Company’s stockholders approved an amendment to the Company’s Amended and Restated Certificate of Incorporation that extends the date by which the Company must consummate a business combination from May 19, 2024 to November 19, 2024 or such earlier date as may be determined by the Company’s board of directors in its sole discretion. The certificate of amendment was filed with the Delaware Secretary of State and has an effective date of May 17, 2024.

**Franchise and Income Tax Withdrawals from Trust Account**

Since completion of its IPO on November 19, 2021, and through March 31, 2024, the Company withdrew \$2,636,344 from the Trust Account to pay its liabilities related to the income and Delaware franchise taxes. Through December 31, 2023, the Company remitted \$2,224,486 to the respective tax authorities, which resulted in remaining excess of funds withdrawn from the Trust Account, but not remitted to the government authorities of \$411,858. Additionally, as of March 31, 2024, the Company had accrued but unpaid income tax liability of \$345,055 and unpaid liability for the Delaware franchise tax of \$91,506. As of March 31, 2024, the Company had \$335,304 in its operating account and inadvertently used \$76,954 of the funds withdrawn from the Trust Account for payment of other operating expenses not related to taxes. Based on review of the circumstances above, management determined that this use of funds was not in accordance with the Trust Agreement.

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On April 2, 2024, the Sponsor committed to providing the Company a working capital loan in the amount of \$275,000, of which \$175,000 was funded on April 2, 2024, and \$100,000 was funded on April 10, 2024. On April 10, 2024 the Company remitted \$261,072 to Internal Revenue Service for its income tax liability and \$38,800 (net of accrued interest) to Delaware Department of State for its franchise tax liability. The Sponsor's working capital loan also replenished the Company's operating account to maintain the remaining difference of \$71,954 between amounts withdrawn from the Trust Account and remitted to the tax authorities, which will be used solely for payment of its income and Delaware franchise tax obligations. The Company continues to incur further tax liabilities and intends to cover such liabilities from the funds in its operating account and, if necessary, from the proceeds from the promissory note to Sponsor, without additional withdrawals from the Trust Account, until the excess of the funds withdrawn from the Trust Account over the amounts remitted to the government authorities is cured.

**Liquidity and Capital Resources**

As of March 31, 2024, the Company had \$335,304 in its operating bank account and working capital deficit of approximately \$4.2 million. The amounts of cash on hand as of March 31, 2024 relate to the amounts that were withdrawn from the Trust for payment of income and Delaware Franchise Taxes and can not be used for any other purpose.

In addition, the Company has \$600,000 in a subscription receivable, which will be used to satisfy the Company's liquidity needs. The Company's liquidity needs prior to the consummation of the Initial Public Offering were satisfied through the cash contribution of \$25,000 from the Sponsor to purchase Founder Shares (as defined in Note 5), and an advance from the Sponsor of approximately \$29,000 (see Note 5). The Company repaid \$24,000 on November 19, 2021 and the remaining \$5,000 remains outstanding and is due on demand. Subsequent to the consummation of the Initial Public Offering, the Company's liquidity has been satisfied through the net proceeds from the consummation of the Initial Public Offering, over-allotment and the Private Placement held outside of the Trust Account. Over this time period, the Company will be using the funds outside of the Trust Account for paying existing accounts payable, identifying and evaluating prospective initial Business Combination candidates, performing due diligence on prospective target businesses, paying for travel expenditures, selecting the target business to merge with or acquire, and structuring, negotiating and consummating the Business Combination.

In addition, 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, provide the Company Working Capital Loans, as defined below (see Note 5). As of March 31, 2024 and December 31, 2023, there were no amounts outstanding under any Working Capital Loans.

In connection with the Company's assessment of going concern considerations in accordance with FASB Accounting Standards Update ("ASU") 2014-15, "Disclosures of Uncertainties about an Entity's Ability to Continue as a Going Concern," management has determined that the liquidity condition and the mandatory liquidation date raises substantial doubt about the Company's ability to continue as a going concern. No adjustments have been made to the carrying amounts of assets or liabilities should the Company be required to liquidate after November 19, 2024 upon the approval of the extension of the liquidation date at the special shareholder meeting on May 17, 2024. The unaudited Condensed Consolidated financial statements do not include any adjustment that might be necessary if the Company is unable to continue as a going concern. The Company intends to seek a further extension of the Company's termination date.

**Risks and 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 things, a new U.S. federal 1% excise tax on certain repurchases of stock by publicly traded U.S. domestic corporations and certain U.S. domestic subsidiaries of publicly traded foreign corporations occurring on or after January 1, 2023. The excise tax is imposed on the repurchasing corporation itself, not its stockholders from which 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 the repurchase. However, for purposes of calculating the excise tax, 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 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. Any share redemption or other share repurchase that occurs after December 31, 2022, in connection with a Business Combination, extension vote or otherwise, may be subject to the excise tax. Whether and to what extent the Company would be subject to the excise tax in connection with a Business Combination, extension vote or otherwise will depend on a number of factors, including (i) the fair market value of the redemptions and repurchases in connection with the Business Combination, extension or otherwise, (ii) the structure of a Business Combination, (iii) the nature and amount of any "PIPE" or other equity issuances in connection with a Business Combination (or otherwise issued not in connection with a Business Combination but issued within the same taxable year of a Business Combination) and (iv) the content of regulations and other guidance from the Treasury. In addition, because the excise tax would be payable by the Company and not by the redeeming holder, the mechanics of any required payment of the excise tax have not been determined. The foregoing could cause a reduction in the cash available on hand to complete a Business Combination and in the Company's ability to complete a Business Combination.

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On April 20, 2023, the Company's stockholders redeemed 25,845,428 shares of the Company's Class A common stock for a total of \$269,597,445. On November 17, 2023, the Company's stockholders redeemed 2,170,004 shares of the Company's Class A common stock for a total of \$22,904,010. The Company evaluated the classification and accounting of the share/ stock redemption under ASC 450, "Contingencies". ASC 450 states that when a loss contingency exists the likelihood that the future event(s) 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. Management has evaluated the requirements of the IR Act and the Company's operations at the end of the reporting period and has determined that a liability of \$2,925,014 should be recorded for the excise tax in connection with the above-mentioned redemptions as of March 31, 2024. This liability will be reviewed and remeasured at each reporting period.

**Note 2 - Significant Accounting Policies**

*Basis of Presentation*

The accompanying unaudited Condensed Consolidated financial statements are presented in U.S. dollars in conformity with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). Accordingly, they do not include all of the information and footnotes required by GAAP. In the opinion of management, the unaudited Condensed Consolidated financial statements reflect all adjustments, which include only normal recurring adjustments, necessary for the fair statement of the balances and results for the periods presented. Operating results for the three months ended March 31, 2024 are not necessarily indicative of the results that may be expected through December 31, 2024, or any future periods.

The accompanying unaudited Condensed Consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries.

The accompanying unaudited Condensed Consolidated financial statements should be read in conjunction with the audited financial statements and notes thereto included in the Annual Report on Form 10-K filed by the Company with the SEC on April 18, 2024.

**Emerging Growth Company Status**

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act of 1933, as amended, (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 to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such 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 Consolidated 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.

**Use of Estimates**

The preparation of the unaudited Condensed Consolidated 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 unaudited Condensed Consolidated financial statements. Making estimates requires management to exercise significant judgement. 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 unaudited Condensed Consolidated financial statements, which management considered in formulating its estimate, could change in the near term due to one or more future confirming events. Actual results could differ from those estimates. Management has identified assumptions involved in the valuation of Class B shares transferred under the terms of non-redemption agreements as a critical accounting estimate.

**Cash and Cash Equivalents**

The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents. As of March 31, 2024 and December 31, 2023, the Company had no cash equivalents.

**Cash Held in the Trust Account**

The Company's portfolio of investments was comprised of cash held in demand deposit account of March 31, 2024 and December 31, 2023.

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**Concentration of Credit Risk**

The Company has significant cash balances at financial institutions which throughout the year regularly exceed the federally insured limit of \$250,000 by the Federal Deposit Insurance Corporation. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Company's financial condition, results of operations, and cash flows.

**Fair Value of Financial Instruments**

The fair value of the Company's assets and liabilities, excluding the non-redemption agreements derivative liability, which qualify as financial instruments under the FASB ASC Topic 820, "Fair Value Measurements" equal or approximate the carrying amounts represented in the unaudited Condensed Consolidated balance sheets, primarily due to their short-term nature (see Note 9).

**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.

**Derivative Financial Instruments**

The Company evaluates its equity-linked financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives in accordance with ASC Topic 815, "Derivatives and Hedging" ("ASC 815"). For derivative financial instruments that are classified as liabilities, the derivative instrument is initially recognized at fair value with subsequent changes in fair value recognized in the unaudited Condensed Consolidated statements of operations each reporting period.

The Company accounts for the 15,000,000 warrants included in the Units sold in the Initial Public Offering and the 675,000 Private Placement Warrants in accordance with the guidance contained in ASC 815. Such guidance provides that the warrants described above are not precluded from equity classification. Equity-classified contracts are initially measured at fair value (or allocated value). Subsequent changes in fair value are not recognized as long as the contracts continue to be classified in equity.

The Company accounts for the Non-Redemption Agreements (as defined in Note 6) in accordance with the guidance contained in ASC 815. Such guidance provides that the Non-Redemption Agreements are classified as liabilities. As such, the non-redemption agreements derivative liability was recorded at its initial fair value on the date of issuance, and each balance sheet date thereafter. Changes in the estimated fair value of the non-redemption agreements derivative liability are recognized as a non-cash gain or loss on the unaudited Condensed Consolidated statements of operations. The fair value of the derivative liability is discussed in Note 9.

**Class A Common Stock Subject to Possible Redemption**

The Company accounts for its Class A common stock subject to possible redemption in accordance with the guidance in ASC 480. Class A common stock subject to mandatory redemption (if any) is classified as liability instruments and is measured at fair value. Conditionally redeemable Class A common stock (including Class A common stock that features redemption rights that are 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, Class A common stock is classified as stockholders' deficit. The Public Shares feature certain redemption rights that are considered to be outside of the Company's control and subject to the occurrence of uncertain future events. Accordingly, as of March 31, 2024 and December 31, 2023, 1,984,568 shares of Class A common stock subject to possible redemption are presented at redemption value, respectively, as temporary equity outside of the stockholders' deficit section of the unaudited Condensed Consolidated balance sheets.

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The Company has elected to recognize changes in redemption value immediately as they occur and adjust the carrying value of redeemable common stock to equal the redemption value at the end of each reporting period. Increases or decreases in the carrying amount of redeemable common stock are affected by charges against additional paid-in capital (if available) and accumulated deficit.

**Offering Costs Associated with the Initial Public Offering**

The Company complies with the requirements of Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) 340-10-S99-1. Offering costs consisted of legal, accounting, underwriting fees and other costs incurred through the Initial Public Offering that were directly related to the Initial Public Offering. Offering costs were allocated to the separable financial instruments issued in the Initial Public Offering based on a relative fair value basis, compared to total proceeds received. Offering costs were allocated between the Public Shares, Public Warrants, Private Placement Shares, and Private Placement Warrants, based on a relative fair value basis, compared to total proceeds received. Additionally, at the Initial Public Offering, offering costs allocated to the Public Shares were charged against temporary equity and offering costs allocated to the Public Warrants, Private Placement Shares, and Private Placement Warrants were charged against stockholders' deficit. Deferred underwriting commissions are classified as non-current liabilities as their liquidation is not reasonably expected to require the use of current assets or require the creation of current liabilities.

**Net (Loss) Income Per Common Share**

The Company complies with accounting and disclosure requirements of FASB ASC Topic 260, "Earnings Per Share." The Company has two classes of shares, which are referred to as Class A common stock and Convertible Class B common stock. Income and losses are shared pro rata between the two classes of shares. Net (loss) income per common share is calculated by dividing the net (loss) income by the weighted average shares of common stock outstanding for the respective period.

The calculation of diluted net (loss) income does not consider the effect of the warrants underlying the Units sold in the Initial Public Offering (including the consummation of the Over-allotment) and the private placement warrants to purchase an aggregate of 15,675,000 shares of Class A common stock in the calculation of diluted (loss) income per share, because their exercise is contingent upon future events. As a result, diluted net (loss) income per share is the same as basic net (loss) income per share for the three months ended March 31, 2024 and 2023. Accretion associated with the redeemable Class A common stock is excluded from earnings per share as the redemption value approximates fair value.

The tables below present a reconciliation of the numerator and denominator used to compute basic and diluted net (loss) income per share of common stock:

|   | For the Three Months Ended March 31, |                                      |                               |                                      |
|---|--------------------------------------|--------------------------------------|-------------------------------|--------------------------------------|
|   | 2024                                 |                                      | 2023                          |                                      |
|   | Non-<br>Redeemable<br>Class A        | Redeemable<br>Class A<br>and Class B | Non-<br>Redeemable<br>Class A | Redeemable<br>Class A<br>and Class B |
| Basic and diluted net (loss) income per common stock:       |                                      |                                      |                               |                                      |
| <i>Numerator:</i>   |                                      |                                      |                               |                                      |
| Allocation of net (loss) income                             | \$ (63,345)                          | \$ (376,640)                         | \$ 1,686,873                  | \$ 663,504                           |
| <i>Denominator:</i>   |                                      |                                      |                               |                                      |
| Basic and diluted weighted average common stock outstanding | 1,984,568                            | 11,800,000                           | 31,000,000                    | 11,800,000                           |
| Basic and diluted net (loss) income per common stock        | <u>\$ (0.03)</u>                     | <u>\$ (0.03)</u>                     | <u>\$ 0.06</u>                | <u>\$ 0.06</u>                       |

**Income Taxes**

The Company accounts for income taxes under ASC 740 Income Taxes ("ASC 740"). ASC 740 requires the recognition of deferred tax assets and liabilities for both the expected impact of differences between the financial statement and tax basis of assets and liabilities and for the expected future tax benefit to be derived from tax loss and tax credit carry forwards. ASC 740 additionally requires a valuation allowance to be established when it is more likely than not that all or a portion of deferred tax assets will not be realized. As of March 31, 2024 and December 31, 2023, the Company had a full valuation allowance against the deferred tax assets.

ASC 740 also clarifies the accounting for uncertainty in income taxes recognized in a company's unaudited Condensed Consolidated financial statements and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim period, disclosure and transition.

The Company's effective tax rate was (11.11)% and 22.43% for the three months ended March 31, 2024, and 2023, respectively. The effective tax rate differs from the statutory tax rate of 21% due to the valuation allowance on the deferred tax assets.

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The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. There were no unrecognized tax benefits and no amounts accrued for interest and penalties as of March 31, 2024 and December 31, 2023. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position.

The Company has identified the United States as its only “major” tax jurisdiction. The Company may be subject to potential examination by federal and state taxing authorities in the areas of income taxes. These potential examinations may include questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions and compliance with federal and state tax laws. The Company’s management does not expect that the total amount of unrecognized tax benefits will materially change over the next twelve months.

**Recent Accounting Pronouncements**

In June 2016, the FASB issued Accounting Standards Update (“ASU”) 2016-13—Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (“ASU 2016-13”). This update requires financial assets measured at amortized cost basis to be presented at the net amount expected to be collected. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. Since June 2016, the FASB issued clarifying updates to the new standard including changing the effective date for smaller reporting companies. The guidance is effective for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years, with early adoption permitted. The Company adopted ASU 2016-13 on January 1, 2023. The adoption of ASU 2016-13 did not have a material impact on its unaudited Condensed Consolidated financial statements.

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 for a smaller reporting company and should be applied on a full or modified retrospective basis, with early adoption permitted beginning on January 1, 2021. The Company continues to evaluate the impact of ASU 2020-06 on its unaudited Condensed Consolidated financial statements.

In June 2022, the FASB issued ASU 2022-03, ASC Subtopic 820 “Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions”. The ASU amends ASC 820 to clarify that a contractual sales restriction is not considered in measuring an equity security at fair value and to introduce new disclosure requirements for equity securities subject to contractual sale restrictions that are measured at fair value. The ASU applies to both holders and issuers of equity and equity-linked securities measured at fair value. The amendments in this ASU are effective for the Company in fiscal years beginning after December 15, 2023, and interim periods within those fiscal years. Early adoption is permitted for both interim and annual financial statements that have not yet been issued or made available for issuance. The Company is still evaluating the impact of this pronouncement on the financial statements.<sup>10</sup>

Management does not believe that any other recently issued, but not yet effective, accounting pronouncements, if currently adopted, would have a material effect on the Company’s unaudited Condensed Consolidated financial statements.

**Note 3 - Initial Public Offering**

On November 19, 2021, the Company sold 30,000,000 Units, including 3,500,000 Units pursuant to the exercise of the underwriters’ over-allotment option in full, at a purchase price of \$10.00 per Unit. Each Unit consists of one share of Class A common stock and one-half redeemable warrant. Each whole warrant is exercisable to purchase one whole share of Class A common stock at \$11.50 per share.

Following the closing of the IPO on November 19, 2021, \$306,000,000 (\$10.20 per Unit) from the net proceeds of the sale of the Units in the IPO and the sale of the Private Units was deposited into the Trust Account. The net proceeds deposited into the Trust Account will be invested in United States “government securities” within the meaning of Section 2(a)(16) of the Investment Company Act having a maturity of 185 days or less or in money market funds meeting certain conditions under Rule 2a-7 promulgated under the Investment Company Act which invest only in direct U.S. government treasury obligations.

**Note 4 - Private Placement**

Simultaneously with the closing of the IPO, the Sponsor purchased an aggregate of 1,350,000 Private Units at a price of \$10.00 per Private Unit, or \$13,500,000, of which \$600,000 has not been funded as of March 31, 2024 and December 31, 2023 and was recorded as subscription receivable. Each Private Unit consists of one share of Class A common stock and one-half of one warrant. Each whole warrant is exercisable to purchase one whole share of Class A common stock at \$11.50 per share.

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**Note 5 - Related Party Transactions**

**Founder Shares**

On August 30, 2021, the Sponsor paid \$25,000 in consideration for 9,833,333 Founder Shares. Up to 1,250,000 Founder Shares were subject to forfeiture by the Sponsor depending on the extent to which the underwriters' over-allotment option is exercised. In November 2021, the Company effected a 1.0627119 for 1 stock split of the Class B common stock, so that the Sponsor owns an aggregate of 10,450,000 Founder Shares. Up to 1,190,000 of the Founder Shares would have been forfeited depending on the extent to which the underwriters' over-allotment option is not exercised. Because of the underwriters' full exercise of the over-allotment option on November 19, 2021, 1,190,000 shares were no longer subject to forfeiture.

The Sponsor has agreed not to transfer, assign or sell any of its Founder Shares until the earlier to occur of: (i) one year after the completion of the initial Business Combination; (ii) subsequent to the initial Business Combination, if the last reported sale price of the Class A common stock equals or exceeds \$12.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after the initial Business Combination; and (iii) the date following the completion of the initial Business Combination on which the Company complete a liquidation, merger, capital stock exchange, reorganization or other similar transaction that results in all of its stockholders having the right to exchange their shares of common stock for cash, securities or other property (the "Lock-up").

**Promissory Note - Related Party**

On August 30, 2021, the Sponsor agreed to loan the Company up to \$300,000 to be used for a portion of the expenses of the IPO. Any drawdown under the loan were non-interest bearing, unsecured and were due at the earlier of March 31, 2022, or the closing of the IPO. As of March 31, 2024 and December 31, 2023, there was no borrowing under the note. The facility is no longer available to the Company subsequent to the IPO.

**Due to Related Party**

In connection with the IPO, the Sponsor had advanced to the Company an aggregate of approximately \$29,000, of which approximately \$24,000 was repaid to the Sponsor upon the closing of the IPO. As of March 31, 2024 and December 31, 2023, approximately \$5,000, remained outstanding and is due on demand, and is included in the due to related party on the accompanying unaudited Condensed Consolidated balance sheets. In addition, as of March 31, 2024 and December 31, 2023, approximately \$4,300 and \$4,300, respectively, is outstanding for reimbursable expenses and is included in the due to related party on the accompanying unaudited Condensed Consolidated balance sheets. The due to related party balances as of March 31, 2024 and December 31, 2023, also includes approximately \$79,000 and \$79,000 respectively, of administrative fees (see below).

**Working Capital Loans**

In order to finance transaction costs in connection with an intended 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 (the "Working Capital Loans"). If the Company completes the initial Business Combination, the Company may repay the Working Capital Loans out of the proceeds of the Trust Account released to the Company. Otherwise, the Working Capital Loans may be repaid only out of funds held outside the Trust Account. In the event that the initial Business Combination does not close, the Company may use a portion of the working capital held outside the Trust Account to repay the Working Capital Loans but no proceeds from the Trust Account would be used to repay the Working Capital Loans. Up to \$1,500,000 of such Working Capital Loans may be convertible into units of the post-Business Combination entity at a price of \$10.00 per unit at the option of the lender. The units would be identical to the Private Units. As of March 31, 2024 and December 31, 2023, the Company had no borrowings under the Working Capital Loans.

Subsequent to March 31, 2024, the Company determined that a portion of funds withdrawn from Trust Account for taxes was inadvertently used for payment of operating expenses. In connection therewith on April 2, 2024, the Sponsor committed to providing the Company a working capital loan in the amount of \$275,000, of which \$175,000 was funded on April 2, 2024, and \$100,000 was funded on April 10, 2024. On April 10, 2024 the Company remitted \$261,072 to Internal Revenue Service for its income tax liability and \$38,800 to Delaware Department of State for its franchise tax liability.

**Administrative Service Fee**

On November 16, 2021, the Company entered into an agreement with the Sponsor, pursuant to which the Company agreed to pay the Sponsor a total of \$10,000 per month for office space, secretarial and administrative services through the earlier of consummation of the initial Business Combination and the Company's liquidation. . For the three months ended March 31, 2024 and 2023, the Company incurred expenses of \$30,000 of services under this agreement and is included in the general and administrative expenses on the accompanying Condensed Consolidated statements of operations. As of March 31, 2024 and December 31, 2023, the Company had \$148,272 and \$113,945 outstanding for services in connection with such agreement, respectively, and is included in the due to related party on the accompanying unaudited Condensed Consolidated balance sheets.

**SHOULDERUP TECHNOLOGY ACQUISITION CORP.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**Note 6 - Commitments and Contingencies**

**Registration and Stockholder Rights**

The holders of the (i) Founder Shares, which were issued in a private placement prior to the closing of the IPO, (ii) Private Units (including securities contained therein), which were issued in a private placement simultaneously with the closing of the IPO and (iii) private placement-equivalent units (including securities contained therein) that may be issued upon conversion of Working Capital Loans will have registration rights to require the Company to register a sale of any of the Company's securities held by them pursuant to a registration rights agreement signed on November 16, 2021. The holders of these securities are entitled to make up to three demands, excluding short form demands, that the Company register such securities. In addition, the holders have certain "piggy-back" registration rights with respect to registration statements filed subsequent to the Company's completion of the initial Business Combination. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

**Underwriting Agreement**

The Company granted the underwriters a 45-day option from the date of the IPO to purchase up to an additional 3,500,000 Units to cover over-allotments, which was exercised in full on November 19, 2021.

On November 19, 2021, the Company paid cash underwriting commissions of \$5,300,000 to the underwriters.

The underwriters are entitled to a deferred underwriting commission of \$11,200,000, which will be paid from the funds held in the Trust Account upon completion of the Company's initial Business Combination subject to the terms of the underwriting agreement.

**Non-Redemption Agreements**

During April 2023, the Company and the Sponsor entered into agreements (the "April Non-Redemption Agreements") with third parties in exchange for them agreeing not to redeem shares of Class A common stock at the Special Meeting at which a proposal to amend to the Company's Certificate of Incorporation to effect an extension of time for the Company to consummate an initial business combination (the "April Charter Amendment Proposal") from May 19, 2023 to November 19, 2023 (the "April Extension"). The Non-Redemption Agreements provide for the allocation of 1,000,000 Founder Shares held by the Sponsor in exchange for such investors agreeing to hold and not redeem certain public shares at the Special Meeting. Certain of the parties to the Non-Redemption Agreements are also members of the Sponsor.

During November 2023, the Company and the Sponsor entered into agreements (the "November Non-Redemption Agreements", and together with the April Non-Redemption Agreements, collectively, the "Non-Redemption Agreements") with third parties in exchange for them agreeing not to redeem shares of Class A common stock at the Special Meeting at which a proposal to amend to the Company's Certificate of Incorporation to effect an extension of time for the Company to consummate an initial business combination (the "November Charter Amendment Proposal") from November 19, 2023 to May 19, 2024 (the "November Extension"). The November Non-Redemption Agreements provide for the allocation of 376,000 Founder Shares held by the Sponsor in exchange for such investors agreeing to hold and not redeem certain public shares at the Special Meeting. Certain of the parties to the Non-Redemption Agreements are also members of the Sponsor.

The Non-Redemption Agreements shall terminate on the earlier of (a) the failure of the Company's stockholders to approve the Extensions at the Meeting, or the determination of the Company not to proceed to effect the Extensions, (b) the fulfillment of all obligations of parties to the Non-Redemption Agreements, (c) the liquidation or dissolution of the Company, or (d) the mutual written agreement of the parties.

Additionally, pursuant to the Non-Redemption Agreements, the Company has agreed that until the earlier of (a) the consummation of the Company's initial business combination; (b) the liquidation of the trust account; and (c) 24 months from consummation of the Company's initial public offering, the Company will maintain the investment of funds held in the trust account in interest-bearing United States government securities within the meaning of Section 2(a)(16) of the Investment Company Act of 1940, as amended, having a maturity of 185 days or less, or in money market funds meeting the conditions of paragraphs (d)(1), (d)(2), (d)(3) and (d)(4) of Rule 2a-7 promulgated under the Investment Company Act of 1940, as amended, which invest only in direct U.S. government treasury obligations. The Company has also agreed that it will not use any amounts in the trust account, or the interest earned thereon, to pay any excise tax that may be imposed on the Company pursuant to the Inflation Reduction Act (IRA) of 2022 (H.R. 5376) due to any redemptions of public shares at the Special Meeting, in connection with a liquidation of the Company if it does not effect a business combination prior to its termination date by the Company.

The Company accounts for non-redemption agreements on a derivative liability basis and records any changes in their fair value in the statements of operations. The amount of such liability was \$6,893,760 and \$6,646,080 as of March 31, 2024 and December 31, 2023, respectively.

**Service Provider Agreements**

From time to time the Company has entered into and may enter into agreements with various service providers and advisors, including investment banks, that helped us identify targets, negotiate terms of potential Business Combinations, and that will help us consummate a Business Combination and/or provide other services. In connection with these agreements, the Company may be required to pay such service providers and advisors fees in connection with their services to the extent that certain conditions, including the closing of a potential Business Combination, are met. If a Business Combination does not occur, the Company would not expect to be required to pay these contingent fees. There can be no assurance that the Company will complete a Business Combination.



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The Company has recorded an accrual of \$573,168 of fees for legal services by outside counsel related to on-going matters and compliance with reporting obligations. In addition, the Company incurred \$573,168 of fees for legal services by outside counsel related to the acquisition activities which will be payable solely on completion of the Business Combination and won't be paid if the Business Combination does not close. This portion of the legal fees will be recorded and recognized by the Company only in the event of successful Business Combination.

**SEE ID Business Combination Agreement**

On March 18, 2024, the Company entered into a Business Combination Agreement (such agreement, the "Business Combination Agreement" and such business combination, the "Business Combination") by and among CID HoldCo, Inc., a Delaware corporation and a direct, wholly-owned subsidiary of ShoulderUp ("Holdings"), ShoulderUp Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of Holdings ("ShoulderUp Merger Sub"), SEI Merger Sub, Inc., a Delaware corporation and a direct, wholly owned subsidiary of Holdings ("SEI Merger Sub" and together with ShoulderUp Merger Sub, the "Merger Subs") and SEE ID, Inc., a Nevada corporation ("SEE ID").

Pursuant to the Business Combination Agreement and subject to the terms and conditions set forth therein, (i) ShoulderUp Merger Sub will merge with and into ShoulderUp (the "ShoulderUp Merger"), whereby the separate existence of ShoulderUp Merger Sub will cease and ShoulderUp will be the surviving entity of the ShoulderUp Merger and become a wholly owned subsidiary of Holdings, and (ii) following confirmation of the effective filing of the documents required to implement the ShoulderUp Merger, SEI Merger Sub will merge with and into the Company (the "SEE ID Merger" and together with the ShoulderUp Merger, the "Mergers"), the separate existence of SEI Merger Sub will cease and SEE ID will be the surviving entity of the SEE ID Merger and a direct wholly owned subsidiary of Holdings (the "Surviving Company").

Upon the closing of the transactions, it is expected that Holdings will be listed on the Nasdaq Stock Market, LLC.

There are no assurances that the Business Combination will close, the consummation of which remains subject to the satisfaction or waiver of certain customary closing conditions of the respective parties, including, among others, a registration statement of Holdings becoming effective and approval of the Business Combination by the stockholders of ShoulderUp and SEE ID.

**Note 7 - Class A Common Stock Subject to Possible Redemption**

The Company's Public Shares feature certain redemption rights that are considered to be outside of the Company's control and subject to the occurrence of future events. The Company is authorized to issue 300,000,000 shares of Class A common stock with a par value of \$0.0001 per share. Holders of the Company's Class A common stock are entitled to one vote for each share.

In connection with the Special Meeting held on April 20, 2023, holders of 25,845,428 shares of the Company's Class A common stock exercised their right to redeem their Class A common stock.

In connection with the Special Meeting held on November 17, 2023, holders of 2,170,004 shares of the Company's Class A common stock exercised their right to redeem their Class A common stock.

As of March 31, 2024 and December 31, 2023, there were respectively 3,334,568 shares of Class A common stock outstanding, of which 1,984,568 shares were subject to possible redemption and are classified outside of permanent equity in the accompanying unaudited Condensed Consolidated balance sheets, respectively.

The Company recognizes changes in redemption value of the Class A common stock subject to possible redemption immediately as changes occur and adjusts the carrying value of the Class A common stock subject to possible redemption to equal the redemption value as if liquidation were to occur at the end of the reporting period.

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The Class A common stock subject to possible redemption reflected on the accompanying unaudited Condensed Consolidated balance sheets is reconciled on the following table:

|   |                       |
|---|-----------------------|
| <b>Class A common stock subject to possible redemption as of December 31, 2021</b>          | <b>\$ 306,000,000</b> |
| Increase in redemption value of Class A common stock subject to possible redemption         | 3,130,532             |
| <b>Class A common stock subject to possible redemption as of December 31, 2022</b>          | <b>309,130,532</b>    |
| Redemptions   | (292,501,454)         |
| Increase in redemption value of Class A common stock subject to possible redemption         | 4,479,147             |
| <b>Class A common stock subject to possible redemption as of December 31, 2023</b>          | <b>\$ 21,108,225</b>  |
| Increase in redemption value of Class A common stock subject to possible redemption         | 123,849               |
| <b>Class A common stock subject to possible redemption as of March 31, 2024 (unaudited)</b> | <b>\$ 21,232,074</b>  |

**Note 8 - Stockholders' Deficit**

**Preferred Stock** - The Company is authorized to issue 1,000,000 shares of preferred stock with a par value of \$0.0001 from time to time in one or more series. As of March 31, 2024 and December 31, 2023, there were no shares of preferred stock issued or outstanding.

**Class A Common stock** - The Company is authorized to issue 300,000,000 shares of Class A common stock with a par value of \$0.0001 per share. At March 31, 2024 and December 31, 2023, respectively 3,334,568 shares of Class A common stock were issued and outstanding, of which 1,984,568 shares of Class A common stock are subject to possible redemption (see Note 7), respectively.

**Convertible Class B Common stock** - The Company is authorized to issue 20,000,000 shares of Class B common stock with a par value of \$0.0001 per share. Holders are entitled to one vote for each share of Class B common stock. On August 30, 2021, the Sponsor paid \$25,000, or approximately \$0.003 per share, in consideration for 9,833,333 shares of Class B common stock, par value \$0.0001. Up to 1,250,000 Founder Shares were subject to forfeiture by the Sponsor depending on the extent to which the underwriters' over-allotment option was exercised. In November 2021, the Company effected a 1.0627119 for 1 stock split of the Class B common stock, so that the Sponsor owns an aggregate of 10,450,000 Founder Shares. Up to 1,190,000 of the Founder Shares would have been forfeited depending on the extent to which the underwriters' over-allotment option was not exercised. Because of the underwriters' full exercise of the over-allotment option on November 19, 2021, 1,190,000 shares are no longer subject to forfeiture. As of March 31, 2024 and December 31, 2023, there were 10,450,000 shares of Class B Common Stock issued and outstanding.

Holders of record of the Class A common stock and holders of record of the Class B common stock will vote together as a single class on all matters submitted to a vote of the Company's stockholders, with each share of common stock entitling the holder to one vote except as required by law.

Effective December 29, 2023, the Company amended its certificate of incorporation to allow for the right of a holder of Class B common stock of the Company to convert its shares of Class B common stock into shares of Class A common stock on a one-to-one basis at any time and from time to time at the election of the holder. The newly issued Class A common stock would not have any redemption rights and would continue to be subject to a lock-up period upon consummation of the business combination. The amendment was approved by the Company's stockholders at a meeting held on December 28, 2023.

The shares of Class B common stock (to the extent not already converted) will automatically convert into shares of Class A common stock at the time of the initial Business Combination on a one-for-one basis (subject to adjustment for stock splits, stock dividends, reorganizations, recapitalizations and the like), and subject to further adjustment.

**Warrants** - As of March 31, 2024 and December 31, 2023, there were 15,675,000 warrants issued and outstanding (15,000,000 Public Warrants and 675,000 Private Placement Warrants). Each whole warrant entitles the holder to purchase one Class A common share at a price of \$11.50 per share, subject to adjustment as discussed herein. In addition, if the Company issues additional shares of 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 common stock (with such issue price or effective issue price to be determined in good faith by the Company's board of directors, and in the case of any such issuance to the Company's initial stockholders or their respective affiliates, without taking into account any Founder Shares held by them, as applicable, prior to such issuance) (the "newly issued price"), the exercise price of the warrants will be adjusted (to the nearest cent) to be equal to 115% of the newly issued price.

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The warrants will become exercisable on the later of 30 days after the completion of the Company's initial Business Combination and 12 months from the closing of the IPO and will expire five years after the completion of the Company's initial Business Combination, at 5:00 p.m., New York City time, or earlier upon redemption or liquidation.

The Company is not registering the shares of Class A common stock issuable upon exercise of the warrants at this time. However, the Company has agreed that as soon as practicable, but in no event later than 15 business days after the closing of the initial Business Combination, the Company will use its best efforts to file with the SEC and have an effective registration statement covering the shares of Class A common stock issuable upon exercise of the warrants and to maintain a current prospectus relating to those shares of Class A common stock until the warrants expire or are redeemed, as specified in the warrant agreement. If a registration statement covering the Class A common stock issuable upon exercise of the warrants is not effective by the 60th business day after the closing of the initial Business Combination, warrant holders may, until such time as there is an effective registration statement and during any period when the Company will have failed to maintain an effective registration statement, exercise warrants on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act or another exemption. Notwithstanding the above, if the Company's shares of Class A common stock are at the time of any exercise of a 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, the Company will not be required to file or maintain in effect a registration statement, and in the event the Company does not so elect, the Company will use its best efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available.

Once the warrants become exercisable, the Company may redeem the outstanding warrants:

- in whole and not in part;
- at a price of \$0.01 per warrant;
- upon a minimum of 30 days' prior written notice of redemption (the 30-day redemption period); and
- if, and only if, the last reported sale price of the Class A common stock equals or exceeds \$18.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which the Company sends the notice of redemption to the warrant holders.

If the Company calls the warrants for redemption as described above, the management will have the option to require all holders that wish to exercise warrants to do so on a "cashless basis." In determining whether to require all holders to exercise their warrants on a "cashless basis," the management will consider, among other factors, the Company's cash position, the number of warrants that are outstanding and the dilutive effect on the stockholders of issuing the maximum number of shares of Class A common stock issuable upon the exercise of the warrants. In such event, each holder would pay the exercise price by surrendering the warrants for that number of shares of Class A common stock equal to the quotient obtained by dividing (x) the product of the number of shares of Class A common stock underlying the warrants, multiplied by the excess of the "fair market value" (as defined below) over the exercise price of the warrants by (y) the fair market value. The "fair market value" shall mean the average last reported sale price of shares of the Class A common stock for the 10 trading days ending on the third trading day prior to the date on which the notice of redemption is sent to the holders of warrants.

The Company accounts for the 15,675,000 warrants that would be issued in connection with the IPO (including the 15,000,000 Public Warrants included in the Units and the 675,000 Private Placement Warrants included in the Private Units) in accordance with the guidance contained in ASC 815-40. Such guidance provides that the warrants meet the criteria for equity treatment due to the existence of provisions whereby adjustments to the exercise price of the warrants is based on a variable that is an input to the fair value of a "fixed-for-fixed" option and no circumstances under which the Company can be forced to net cash settle the warrants.

**Note 9 - Fair Value Measurements**

The following tables present information about the Company's assets that are measured at fair value on a recurring basis as of March 31, 2024 and December 31, 2023, and indicate the fair value hierarchy of the valuation techniques that the Company utilized to determine such fair value:

**March 31, 2024**

| Description                                    | Quoted<br>Prices in<br>Active<br>Markets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Other<br>Unobservable<br>Inputs<br>(Level 3) |
|--|---|---|---|
| <b>Liabilities:</b>                            |   |   |   |
| Non-redemption agreements derivative liability | \$ —  | \$ —  | \$ 6,893,760  |

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**December 31, 2023**

| Description                                    | Quoted<br>Prices in<br>Active<br>Markets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Other<br>Unobservable<br>Inputs<br>(Level 3) |
|--|---|---|---|
| <b>Liabilities:</b>                            |   |   |   |
| Non-redemption agreements derivative liability | \$ —  | \$ —  | \$ 6,646,080  |

The Non-Redemption Agreements derivative liability were accounted for as liabilities in accordance with ASC 815 and are presented on the unaudited Condensed Consolidated balance sheets. The non-redemption agreements derivative liability are measured at fair value at inception and on a recurring basis, with changes in fair value presented within change in fair value of derivative liability in the unaudited Condensed Consolidated statements of operations.

The Non-Redemption Agreements derivative liability were initially and as of the end of each subsequent reporting period, valued using a monte-carlo simulation model, which is considered to be a Level 3 fair value measurement. The key inputs into the monte-carlo simulation model for the Non-Redemption Agreements derivative liability were as follows:

| Input  | March 31,<br>2024 | December 31,<br>2023 |
|--|-------------------|----------------------|
| Market price of Class A common stock           | \$ 10.78          | \$ 10.72             |
| Risk-free rate                                 | 4.70%             | 4.56%                |
| Volatility                                     | 31.4%             | 39.9%                |
| Term   | 1.16              | 1.41                 |
| Probability of successful business combination | 50.0%             | 50.0%                |
| Discount for lack of marketability             | 7.0%              | 9.9%                 |
| Threshold price                                | \$ 12.00          | \$ 12.00             |

The following table presents the changes in the fair value of the Non-Redemption Agreements derivative liability:

|   |                     |
|---|---------------------|
| Fair value as of December 31, 2023              | \$ 6,646,080        |
| Change in valuation inputs or other assumptions | 247,680             |
| Fair value as of March 31, 2024                 | <u>\$ 6,893,760</u> |

Transfers to/from Levels 1, 2, and 3 are recognized at the beginning of the reporting period. There were no transfers to/from Levels 1, 2, and 3 during the year ended March 31, 2024 and December 31, 2023.

**Note 10 – Subsequent Events**

The Company evaluated subsequent events and transactions that occurred after the unaudited Condensed Consolidated balance sheets and up to the date the unaudited Condensed Consolidated financial statements were issued. Based upon this review, the Company did not identify any subsequent events that would have required adjustment or disclosure in the unaudited Condensed Consolidated financial statements, except as hereinafter described.

On April 2, 2024, the Sponsor committed to providing the Company a working capital loan in the amount of \$275,000, of which \$175,000 was funded on April 2, 2024, and \$100,000 was funded on April 10, 2024. On April 10, 2024 the Company remitted \$261,072 to Internal Revenue Service for its income tax liability and \$38,800 to Delaware Department of State for its franchise tax liability.

On May 17, 2024, the Company held the Special Meeting of its stockholders. At the Special Meeting, the Company's stockholders approved an amendment to the Company's Amended and Restated Certificate of Incorporation that extends the Termination Date by which the Company must consummate a business combination from May 19, 2024, to November 19, 2024 or such earlier date as may be determined by the Company's board of directors in its sole discretion. The certificate of amendment was filed with the Delaware Secretary of State and has an effective date of May 17, 2024. In connection with the extension amendment proposal approved at the Special Meeting, holders of 1,125,154 shares of the Company's common stock properly exercised their right to redeem their shares (and did not withdraw their redemption) for a cash redemption price of approximately \$10.78 per share, or an aggregate redemption amount of \$12,136,736. Following such redemptions, \$9,270,270 will remain in the trust account and 859,414 shares of common stock will remain issued and outstanding.

On May 17, 2024, the Company and the Sponsor entered into Non-Redemption Agreements on substantially the same terms with certain stockholders of the Company, pursuant to which such stockholders agreed not to redeem (or to validly rescind any redemption requests on) an aggregate of 800,000 non-Redeemed shares in connection with the Special Meeting. In exchange for the foregoing commitments not to redeem such shares of Class A Common Stock, the Sponsor agreed to transfer an aggregate of 266,666 shares of Class B Common Stock held by the Sponsor to such stockholders immediately following consummation of the initial business combination if they continued to hold such Non-Redeemed shares through the Special Meeting.

## Item 2. Managements' Discussion and Analysis of Financial Conditions and Results of Operations

References to “we”, “us”, “our” or the “Company” are to ShoulderUp Technology Acquisition Corp., except where the context requires otherwise. The following discussion should be read in conjunction with our interim Condensed Consolidated financial statements and related notes thereto included elsewhere in this report.

### *Special Note Regarding Forward-Looking Statements*

This Quarterly Report on Form 10-Q includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). We have based these forward-looking statements on our current expectations and projections about future events. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions about us that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “may,” “should,” “could,” “would,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “continue,” or the negative of such terms or other similar expressions. Such statements include, but are not limited to, possible business combinations and the financing thereof, and related matters, as well as all other statements other than statements of historical fact included in this Form 10-Q. Factors that might cause or contribute to such a discrepancy include, but are not limited to, those described in our other Securities and Exchange Commission (“SEC”) filings.

### *Overview*

We are a blank check company incorporated in Delaware on May 20, 2021, for the purpose of effecting a merger, stock exchange, asset acquisition, stock purchase, reorganization or other similar business combination with one or more businesses.

On November 19, 2021, we consummated our IPO of 30,000,000 units, at \$10.00 per unit, generating gross proceeds of \$300 million.

Simultaneously with the closing of the IPO, we consummated the private placement of 1,350,000 private units for an aggregate purchase price of \$13,500,000.

Upon the closing of our IPO on November 19, 2021, \$306,000,000 (\$10.00 per unit) from the net proceeds of the sale of the units in the initial public offering and the sale of private shares were placed in the Trust Account.

If we are unable to complete the initial business combination on or before the current termination date or an extended date, we will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem 100% of the outstanding 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 on the funds held in the Trust Account and not previously released to us but net of taxes payable (and less up to \$100,000 of interest to pay dissolution expenses), divided by the number of then outstanding public shares, which redemption will completely extinguish public stockholders' rights as stockholders (including the right to receive further liquidation distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of our remaining stockholders and our board of directors, liquidate and dissolve, subject (in the case of (ii) and (iii) above) to our obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law.

We cannot assure you that our plans to complete our initial business combination will be successful.

### **Recent Developments**

On April 20, 2023, the Company held a special meeting of its stockholders (the “Special Meeting”). At the Special Meeting, the Company's stockholders approved an amendment to the Company's Amended and Restated Certificate of Incorporation that extends the date by which the Company must consummate a business combination transaction from May 19, 2023, to November 19, 2023 (the date which is 24 months from the closing date of the Company's initial public offering of units). The certificate of amendment was filed with the Delaware Secretary of State and has an effective date of April 21, 2023. In connection with Special Meeting, holders of 25,845,428 shares of the Company's Class A common stock exercised their right to redeem their shares for a cash redemption price of approximately \$10.43 per share, or an aggregate redemption amount of \$269,597,445. Following such redemptions, approximately 4,154,572 shares of Class A common stock remain issued and outstanding.

On October 16, 2023, the Company announced that it has entered into a non-binding letter of intent for a potential business combination with Airspace Experience Technologies, Inc., a pioneer in the urban mobility market. The non-binding letter of intent was terminated on December 1, 2023.

On November 17, 2023, the Company, held a special meeting of its stockholders (the “November 17 Special Meeting”). At the November 17 Special Meeting, the Company's stockholders approved an amendment to the Company's Amended and Restated Certificate of Incorporation that extends the date by which the Company must consummate a business combination from November 19, 2023 to May 19, 2024 or such earlier date as may be determined by the Company's board of directors in its sole discretion. The certificate of amendment was filed with the Delaware Secretary of State and has an effective date of November 15, 2023. In connection with the extension amendment proposal, holders of 2,170,004 shares of the Company's common stock properly exercised their right to redeem their shares. \$22,904,010 or \$10.55 per share was withdrawn from the Trust Account, leaving \$20,946,765 in the Trust Account after the redemptions.

On December 28, 2023, the Company held an annual meeting of its stockholders (the “Annual Meeting”). At the Annual Meeting, the Company’s stockholders approved an amendment to the Company’s Amended and Restated Certificate of Incorporation to allow for the right of a holder of Class B common stock of the Company to convert its shares of Class B common stock into shares of Class A common stock on a one-to-one basis at any time and from time to time at the election of the holder. The newly issued Class A common stock would not have any redemption rights and would continue to be subject to a lock-up period upon consummation of the business combination.

On December 19, 2023, the NYSE filed a Form 25 to delist the Company securities. The delisting was effective on December 29, 2023. On March 6, 2024, pursuant to Rule 15c-211 of the U.S. Securities Exchange Act, as amended (the “Exchange Act”), as amended, a market maker filed a Form 211 with the Financial Industry Regulatory Authority, Inc. (“FINRA”) to initiate proprietary trading of the Class A common stock, the units, and the warrants of the Company. Pursuant to Rule 15c2-11 (the “Exchange Act”), the submission of Form 211 to the FINRA OTC Compliance Unit enables broker-dealers to initiate or resume trading quotes on the “pink sheets” by OTC Markets Group Inc. for securities not listed on the New York Stock Exchange or The Nasdaq Stock Market LLC. The securities are expected to be quoted on the Pink Sheets, but there can be no assurance if or when this will occur.

On May 17, 2024, the Company held a special meeting of its stockholders (the “May 17 Special Meeting”). At the May 17 Special Meeting, the Company’s stockholders approved an amendment to the Company’s Amended and Restated Certificate of Incorporation that extends the Termination Date by which the Company must consummate a business combination from May 19, 2024, to November 19, 2024 or such earlier date as may be determined by the Company’s board of directors in its sole discretion. The certificate of amendment was filed with the Delaware Secretary of State and has an effective date of May 17, 2024. In connection with the extension amendment proposal at the May 17 Special Meeting, holders of 1,125,154 shares of the Company’s common stock properly exercised their right to redeem their shares (and did not withdraw their redemption) for a cash redemption price of approximately \$10.78 per share, or an aggregate redemption amount of \$12,136,736. Following such redemptions, approximately \$9,270,270 will remain in the trust account and 859,414 shares of common stock will remain issued and outstanding.

### **Non-Redemption Agreements**

During April 2023, the Company and the Sponsor entered into agreements (the “April Non-Redemption Agreements”) with third parties in exchange for them agreeing not to redeem shares of Class A common stock at the Special Meeting at which a proposal to amend to the Company’s Certificate of Incorporation to effect an extension of time for the Company to consummate an initial business combination (the “April Charter Amendment Proposal”) from May 19, 2023 to November 19, 2023 (the “April Extension”). The April Non-Redemption Agreements provide for the allocation of 1,000,000 Founder Shares held by the Sponsor in exchange for such investors agreeing to hold and not redeem certain public shares at the Special Meeting. Certain of the parties to the Non-Redemption Agreements are also members of the Sponsor.

During November 2023, the Company and the Sponsor entered into agreements (the “November Non-Redemption Agreements” and together with the April Non-Redemption Agreements, collectively, the “Non-Redemption Agreements”) with third parties in exchange for them agreeing not to redeem shares of Class A common stock at the Special Meeting at which a proposal to amend to the Company’s Certificate of Incorporation to effect an extension of time for the Company to consummate an initial business combination (the “November Charter Amendment Proposal”) from November 19, 2023 to May 19, 2024 (the “November Extension”). The November Non-Redemption Agreements provide for the allocation of 376,000 Founder Shares held by the Sponsor in exchange for such investors agreeing to hold and not redeem certain public shares at the Special Meeting. Certain of the parties to the Non-Redemption Agreements are also members of the Sponsor.

The Non-Redemption Agreements shall terminate on the earlier of (a) the failure of the Company’s stockholders to approve the Extension at the Meeting, or the determination of the Company not to proceed to effect the Extension, (b) the fulfillment of all obligations of parties to the Non-Redemption Agreements, (c) the liquidation or dissolution of the Company, or (d) the mutual written agreement of the parties.

Additionally, pursuant to the Non-Redemption Agreements, the Company has agreed that until the earlier of (a) the consummation of the Company’s initial business combination; (b) the liquidation of the trust account; and (c) 24 months from consummation of the Company’s initial public offering, the Company will maintain the investment of funds held in the trust account in interest-bearing United States government securities within the meaning of Section 2(a)(16) of the Investment Company Act of 1940, as amended, having a maturity of 185 days or less, or in money market funds meeting the conditions of paragraphs (d)(1), (d)(2), (d)(3) and (d)(4) of Rule 2a-7 promulgated under the Investment Company Act of 1940, as amended, which invest only in direct U.S. government treasury obligations. The Company has also agreed that it will not use any amounts in the trust account, or the interest earned thereon, to pay any excise tax that may be imposed on the Company pursuant to the Inflation Reduction Act (IRA) of 2022 (H.R. 5376) due to any redemptions of public shares at the Special Meeting, in connection with a liquidation of the Company if it does not effect a business combination prior to its termination date by the Company.

The Company accounts for non-redemption agreements on a derivative liability basis and records any changes in their fair value in the statements of operations. The amount of such liability was \$6,893,760 and \$6,646,080 as of March 31, 2024, and December 31, 2023, respectively.

### **SEE ID Business Combination Agreement**

On March 18, 2024, we entered into a Business Combination Agreement (such agreement, the “Business Combination Agreement” and such business combination, the “Business Combination”) by and among CID HoldCo, Inc., a Delaware corporation and a direct, wholly-owned subsidiary of ShoulderUp (“Holdings”), ShoulderUp Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of Holdings (“ShoulderUp Merger Sub”), SEI Merger Sub, Inc., a Delaware corporation and a direct, wholly owned subsidiary of Holdings (“SEI Merger Sub” and together with ShoulderUp Merger Sub, the “Merger Subs”) and SEE ID, Inc., a Nevada corporation (“SEE ID”).

Pursuant to the Business Combination Agreement and subject to the terms and conditions set forth therein, (i) ShoulderUp Merger Sub will merge with and into ShoulderUp (the “ShoulderUp Merger”), whereby the separate existence of ShoulderUp Merger Sub will cease and ShoulderUp will be the surviving entity of the ShoulderUp Merger and become a wholly owned subsidiary of Holdings, and (ii) following confirmation of the effective filing of the documents required to implement the ShoulderUp Merger, SEI Merger Sub will merge with and into the Company (the “SEE ID Merger” and together with the ShoulderUp Merger, the “Mergers”), the separate existence of SEI Merger Sub will cease and SEE ID will be the surviving entity of the SEE ID Merger and a direct wholly owned subsidiary of Holdings (the “Surviving Company”).

Upon the closing of the transactions, it is expected that Holdings will be listed on the Nasdaq Stock Market, LLC.

There are no assurances that the Business Combination will close, the consummation of which remains subject to the satisfaction or waiver of certain customary closing conditions of the respective parties, including, among others, a registration statement of Holdings becoming effective and approval of the Business Combination by the stockholders of ShoulderUp and SEE ID.

### **Results of Operations**

Our entire activity from inception up to March 31, 2024, was for our formation and preparation for our IPO, and subsequent to the IPO, identifying a target company for a business combination. We will not generate any operating revenues until the closing and completion of our initial business combination, at the earliest.

For the three months ended March 31, 2024, we had net loss of approximately \$0.4 million, which consisted of the general and administrative expenses of approximately \$410,000, change in fair value of derivative liability of approximately \$248,000, franchise tax expense of approximately \$53,000 and income tax expense of approximately \$44,000, offset by income from investments held in the Trust Account and operating account of approximately \$262,147.

For the three months ended March 31, 2023, we had net income of approximately \$2.4 million, which consisted of income from investments held in the Trust Account and operating account of approximately \$3.3 million, offset by general and administrative expenses of approximately \$206,000, franchise tax expense of approximately \$50,400, and income tax expense of approximately \$680,000.

### **Liquidity and Going Concern Consideration**

As of March 31, 2024, the Company had \$335,304 in its operating bank account and working capital deficit of approximately \$4.2 million. The amounts of cash on hand as of March 31, 2024 relate to the amounts that were withdrawn from the Trust for payment of income and Delaware Franchise Taxes and can not be used for any other purpose.

In addition, we have \$600,000 in subscription receivable, which will be used to satisfy our liquidity needs. Our liquidity needs prior to the consummation of the Initial Public Offering were satisfied through the cash contribution of \$25,000 from the Sponsor to purchase Founder Shares, and an advance from the Sponsor of approximately \$29,000. We repaid \$24,000 on November 19, 2021 and the remaining \$5,000 remains outstanding and is due on demand. Subsequent to the consummation of the Initial Public Offering, our liquidity has been satisfied through the net proceeds from the consummation of the Initial Public Offering, over-allotment and the Private Placement held outside of the Trust Account. Over this time period, the Company will be using the funds outside of the Trust Account for paying existing accounts payable, identifying and evaluating prospective initial Business Combination candidates, performing due diligence on prospective target businesses, paying for travel expenditures, selecting the target business to merge with or acquire, and structuring, negotiating and consummating the Business Combination.

Of the net proceeds from the IPO and associated Private Placements, \$306,000,000 of cash was placed in the Trust Account and \$1,656,890 of cash was held outside of the Trust Account and was available for the Company's working capital purposes.

In addition, in order to finance transaction costs in connection with a Business Combination, the Sponsor or an affiliate of the Sponsor, or certain of our officers and directors may, but are not obligated to, provide the Company Working Capital Loans, as defined below. As of March 31, 2024, there were no amounts outstanding under any Working Capital Loans. On April 2, 2024, the Sponsor committed to providing the Company a working capital loan in the amount of \$275,000, of which \$175,000 was funded on April 2, 2024, and \$100,000 was funded on April 10, 2024.

### **Assessment of Going Concern Considerations**

In connection with the Company's assessment of going concern considerations in accordance with FASB Accounting Standards Update ("ASU") 2014-15, "Disclosures of Uncertainties about an Entity's Ability to Continue as a Going Concern," management has determined that the liquidity condition, mandatory liquidation and subsequent dissolution raises substantial doubt about the Company's ability to continue as a going concern. No adjustments have been made to the carrying amounts of assets or liabilities should the Company be required to liquidate November 19, 2024. The unaudited Condensed Consolidated financial statements do not include any adjustment that might be necessary if the Company is unable to continue as a going concern. The Company intends to complete a Business Combination before the mandatory liquidation date. Over this time period, the Company will be using the funds outside of the Trust Account for paying existing accounts payable, and completing the proposed Business Combination with SEE ID pursuant to the terms of the Business Combination Agreement. On April 2, 2024, the sponsor committed to providing the Company a working capital loan in the amount of \$275,000, of which \$175,000 was funded on April 2, 2024, and \$100,000 was funded on April 10, 2024.

### **Franchise and Income Tax Withdrawals from Trust Account**

Since completion of its IPO on November 19, 2021, and through December 31, 2023, the Company withdrew \$2,636,344 from the Trust Account to pay its liabilities related to the income and Delaware franchise taxes. Through December 31, 2023, the Company remitted \$2,224,486 to the respective tax authorities, which resulted in remaining excess of funds withdrawn from the Trust Account, but not remitted to the government authorities of \$411,858. Additionally, as of March 31, 2024, the Company had accrued but unpaid income tax liability of \$345,055 and unpaid liability for the Delaware franchise tax of \$91,506. As of March 31, 2024, the Company had \$335,304 in its operating account and inadvertently used \$76,954 of the funds withdrawn from the Trust Account for payment of other operating expenses not related to taxes. Based on review of the circumstances above, management determined that this use of funds was not in accordance with the Trust Agreement.

On April 2, 2024, the Sponsor committed to providing the Company a working capital loan in the amount of \$275,000, of which \$175,000 was funded on April 2, 2024, and \$100,000 was funded on April 10, 2024. On April 10, 2024 the Company remitted \$261,072 to Internal Revenue Service for its income tax liability and \$38,800 (net of accrued interest) to Delaware Department of State for its franchise tax liability. The Sponsor's working capital loan also replenished the Company's operating account to maintain the remaining difference of \$71,985 between amounts withdrawn from the Trust Account and remitted to the tax authorities, which will be used solely for payment of its income and Delaware franchise tax obligations. The Company continues to incur further tax liabilities and intends to cover such liabilities from the funds in its operating account and, if necessary, from the proceeds from the promissory note to Sponsor, without additional withdrawals from the Trust Account, until the excess of the funds withdrawn from the Trust Account over the amounts remitted to the government authorities is cured.

### **Critical Accounting Estimates**

The preparation of these unaudited Condensed Consolidated 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 unaudited Condensed Consolidated financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates. The only item that involves critical accounting estimates is non-redemption agreements derivative liability.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

Not required for smaller reporting companies.

### **Item 4. Controls and Procedures**

#### *Evaluation of Disclosure Controls and Procedures*

Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial and accounting officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures as of March 31, 2024, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on this evaluation, our principal executive officer and principal financial and accounting officer have concluded that as of March 31, 2024, our disclosure controls and procedures were not effective, due to the following material weaknesses identified in our internal controls over financial reporting identified as of December 31, 2023:

- a material weakness in internal controls related to failures in reporting period closing that could lead to understatement of the Company's liabilities arising from complex financial instruments;
- a material weakness in internal controls related to the compliance with the provisions of the Trust Agreement related to the use of funds withdrawn from the Trust Account for payment of tax liabilities.

#### *Changes in Internal Control over Financial Reporting*

There were no changes to our internal control over financial reporting that occurred during our fiscal quarter ended March 31, 2024, that have materially affected or are reasonably likely to materially affect, our internal control over financial reporting.



## PART II - OTHER INFORMATION

### Item 1. Legal Proceedings.

None.

### Item 1A. Risk Factors.

Except as set forth below, as of the date of this Quarterly Report, there have been no material changes with respect to those risk factors previously disclosed in described in our Annual Report on Form 10-K for the year ended December 31, 2023. Any of these factors could result in a significant or material adverse effect on our results of operations or financial condition. Additional risk factors not presently known to us or that we currently deem immaterial may also impair our business or results of operations.

*If we are deemed to be an investment company, we may be required to institute burdensome compliance requirements and our activities may be restricted, which may make it difficult for us to complete a business combination.*

A company that, among other things, is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting, owning, trading or holding certain types of securities would be deemed an investment company under the Investment Company Act, as amended, or the Investment Company Act. Since we will invest the proceeds held in the Trust Account, it is possible that we could be deemed an investment company. Notwithstanding the foregoing, we do not believe that our anticipated principal activities will subject us to the Investment Company Act. To this end, the proceeds held in trust may be invested by the trustee only in United States “government securities” within the meaning of Section 2(a)(16) of the Investment Company Act having a maturity of 185 days or less or in money market funds meeting certain conditions under Rule 2a-7 promulgated under the Investment Company Act which invest only in direct U.S. government treasury obligations. By restricting the investment of the proceeds to these instruments, we intend to meet the requirements for the exemption provided in Rule 3a-1 promulgated under the Investment Company Act. To mitigate the risk that we might be deemed to be an investment company for purposes of the Investment Company Act, on December 28, 2023 we instructed the trustee to liquidate the investments held in the Trust Account and instead to hold the funds in the Trust Account in an interest bearing demand deposit account until the earlier of the consummation of our initial business combination or our liquidation. As a result, following the liquidation of investments in the Trust Account, we would likely receive less interest on the funds held in the Trust Account, which would likely reduce the dollar amount our public stockholders will receive upon any redemption or liquidation of the Company.

If we are nevertheless deemed to be an investment company under the Investment Company Act, we may be subject to certain restrictions that may make it more difficult for us to complete a business combination, including:

- restrictions on the nature of our investments; and
- restrictions on the issuance of securities.

In addition, we may have imposed upon us certain burdensome requirements, including:

- registration of an investment company;
- adoption of a specific form of corporate structure; and
- adoption of a specific form of corporate structure; and
- adoption of a specific form of corporate structure; and
- reporting, record keeping, voting, proxy, compliance policies and procedures and disclosure requirements and other rules and regulations. Compliance with these additional regulatory burdens would require additional expense for which we have not allotted.

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

On November 19, 2021, we sold 30,000,000 units, including 3,500,000 units pursuant to the exercise of the underwriters’ over-allotment option in full, at a purchase price of \$10.00 per unit in our initial public offering (the “IPO”). Simultaneously with the closing of the initial public offering, we consummated the private placement of 1,350,000 private shares for an aggregate purchase price of \$13,500,000 (the “Private Placement”). Following the closing of the IPO and the Private Placement on November 19, 2021, \$306,000,000 (\$10.20 per unit) from the net proceeds of the sale of the units in the IPO and the sale of the private placement units was deposited into our trust account (the “Trust Account”), and \$1,656,890 of cash was held outside of the Trust Account and is available for the Company’s working capital purposes. Transaction costs (other than deferred underwriting commissions) amounted to \$6,620,368 consisting of \$5,300,000 of underwriting commissions, and \$1,320,368 of other offering costs (including \$795,000 of offering costs reimbursed by the underwriters).

The net proceeds deposited into the Trust Account are invested in United States “government securities” within the meaning of Section 2(a)(16) of the Investment Company Act having a maturity of 185 days or less or in money market funds meeting certain conditions under Rule 2a-7 promulgated under the Investment Company Act which invest only in direct U.S. government treasury obligations.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures.**

Not applicable.

**Item 5. Other Information.**

None.

**Item 6. Exhibits**

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

| No.     | Description of Exhibit   | Incorporation<br>By Reference   |
|---------|--|---|
| 3.1     | <a href="#">Certificate of Amendment to Amended and Restated Certificate of Incorporation</a>  | Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on May 23, 2024  |
| 10.1    | <a href="#">Form of Non-Redemption Agreement and Assignment of Economic Interest</a>   | Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on May 23, 2024 |
| 31.1    | <a href="#">Certification of Principal Executive Officer Pursuant to Securities Exchange Act Rules 13a-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a> | Filed herewith.   |
| 31.2    | <a href="#">Certification of Principal Financial Officer Pursuant to Securities Exchange Act Rules 13a-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a> | Filed herewith.   |
| 32.1    | <a href="#">Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>                  | Furnished.  |
| 32.2    | <a href="#">Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>                  | Furnished.  |
| 101.INS | Inline XBRL Instance 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 Labels 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)   |   |

**PART III**

**SIGNATURES**

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SHOULDERUP TECHNOLOGY ACQUISITION CORP.

Date: June 12, 2024

By: /s/ Phyllis W. Newhouse  
Name: Phyllis W. Newhouse  
Title: Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO RULE 13A-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Phyllis W. Newhouse, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ShoulderUp Technology Acquisition Corp.;
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(s) 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)) for the registrant 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 my supervision, to ensure that material information relating to the registrant, is made known to us by others within those entities, particularly during the period in which this report is being prepared; and
  - 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 my 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(s) 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: June 12, 2024

/s/ Phyllis W. Newhouse  
Phyllis W. Newhouse  
Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER  
PURSUANT TO RULE 13A-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Grace Vandecruze, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ShoulderUp Technology Acquisition Corp.;
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(s) 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)) for the registrant 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 my supervision, to ensure that material information relating to the registrant, is made known to us by others within those entities, particularly during the period in which this report is being prepared; and
  - 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 my 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(s) 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: June 12, 2024

/s/ Rashaun Williams  
Rashaun Williams  
Chief Financial Officer  
(Principal Financial 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 of ShoulderUp Technology Acquisition Corp. (the “Company”) on Form 10-Q for the quarterly period ended March 31, 2024, as filed with the Securities and Exchange Commission (the “Report”), I, Phyllis W. Newhouse, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as added by §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. To my knowledge, the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Date: June 12, 2024

/s/ Phyllis W. Newhouse

\_\_\_\_\_  
Phyllis W. Newhouse

Chief Executive Officer

(Principal Executive 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 of ShoulderUp Technology Acquisition Corp. (the “Company”) on Form 10-Q for the quarterly period ended March 31, 2024, as filed with the Securities and Exchange Commission (the “Report”), I, Grace Vandecruze, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as added by §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. To my knowledge, the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Date: June 12, 2024

/s/ Rashaun Williams

Rashaun Williams

Chief Financial Officer

(Principal Financial and Principal Accounting Officer)