

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, 2023

OR

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

For the transition period from to

HH&L Acquisition Co.

(Exact name of registrant as specified in its charter)

Cayman Islands (State or other jurisdiction of incorporation or organization)	001-40006 (Commission File Number)	N/A (IRS Employer Identification No.)
Suite 2001-2002, 20/F, York House The Landmark, 15 Queen's Road Central Central, Hong Kong (Address Of Principal Executive Offices)		N/A (Zip Code)

(852) 3752-2870

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 Class A ordinary share, \$0.0001 par value, and one-half of one redeemable warrant	HHLA.U	The New York Stock Exchange
Class A ordinary shares included as part of the units	HHLA	The New York Stock Exchange
Redeemable warrants included as part of the units	HHLA WS	The New York Stock Exchange

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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 May 15, 2023, the Registrant had 6,231,017 of its Class A Ordinary Shares, \$0.0001 par value per share, and 10,350,000 of its Class B ordinary shares, \$0.0001 par value per share, issued and outstanding.

HH&L ACQUISITION CO.
Form 10-Q
For the Three Months Ended March 31, 2023

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PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

HH&L ACQUISITION CO. CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2023 (Unaudited)	December 31, 2022
Assets		
Current assets:		
Cash	\$ 136,013	\$ 21,259
Prepaid expenses	116,420	43,670
Total current assets	252,433	64,929
Investments held in Trust Account	104,491,170	420,092,302
Total Assets	\$ 104,743,603	\$ 420,157,231
Liabilities, Class A Ordinary Shares Subject to Possible Redemption and Shareholders' Deficit:		
Current liabilities:		
Accounts payable	\$ 502,627	\$ 170,875
Accounts payable - related party	390,000	345,000
Accrued expenses	4,758,441	4,124,690
Working capital loan - related party	500,000	500,000
Convertible promissory note - related party	600,000	—
Due to related party	380,000	—
Total current liabilities	7,131,068	5,140,565
Derivative warrant liabilities	1,858,800	1,549,000
Deferred underwriting commissions	5,796,000	5,796,000
Total liabilities	14,785,868	12,485,565
Commitments and Contingencies		
Class A ordinary shares subject to possible redemption, \$0.0001 par value; 10,118,910 and 41,400,000 shares at approximately \$10.32 and \$10.14 per share as of March 31, 2023 and December 31, 2022, respectively	104,391,170	419,992,302
Shareholders' Deficit:		
Preference shares, \$0.0001 par value; 5,000,000 shares authorized; none issued or outstanding	—	—
Class A ordinary shares, \$0.0001 par value; 500,000,000 shares authorized; no non-redeemable shares issued or outstanding	—	—
Class B ordinary shares, \$0.0001 par value; 50,000,000 shares authorized; 10,350,000 shares issued and outstanding at March 31, 2023 and December 31, 2022	1,035	1,035
Additional paid-in capital	—	—
Accumulated deficit	(14,434,470)	(12,321,671)
Total shareholders' deficit	(14,433,435)	(12,320,636)
Total Liabilities, Class A Ordinary Shares Subject to Possible Redemption and Shareholders' Deficit	\$ 104,743,603	\$ 420,157,231

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

HH&L ACQUISITION CO.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	For The Three Months Ended March 31,	
	2023	2022
General and administrative expenses	\$ 997,999	\$ 369,809
Administrative expenses - related party	45,000	45,000
Loss from operations	(1,042,999)	(414,809)
Other income (expense):		
Change in fair value of derivative warrant liabilities	(309,800)	9,603,800
Income from investments held in Trust Account	2,228,577	33,789
Total other income (expense), net	1,918,777	9,637,589
Net income	\$ 875,778	\$ 9,222,780
Basic and diluted weighted average shares outstanding of Class A ordinary shares	23,326,481	41,400,000
Basic and diluted net income per ordinary share, Class A	\$ 0.03	\$ 0.18
Basic weighted average shares outstanding of Class B ordinary shares	10,350,000	10,350,000
Diluted weighted average shares outstanding of Class B ordinary shares	10,350,000	10,350,000
Basic and diluted net income per ordinary share, Class B	\$ 0.03	\$ 0.18

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

HH&L ACQUISITION CO.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT
FOR THE THREE MONTHS ENDED MARCH 31, 2023

	Class B Ordinary Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Total Shareholders' Deficit
Balance - December 31, 2022	10,350,000	\$ 1,035	\$ —	\$ (12,321,671)	\$ (12,320,636)
Remeasurement of Class A ordinary shares subject to possible redemption	—	—	—	(2,988,577)	(2,988,577)
Net income	—	—	—	875,778	875,778
Balance - March 31, 2023 (unaudited)	10,350,000	\$ 1,035	\$ —	\$ (14,434,470)	\$ (14,433,435)

FOR THE THREE MONTHS ENDED MARCH 31, 2022

	Class B Ordinary Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Total Shareholders' Deficit
Balance - December 31, 2021	10,350,000	\$ 1,035	\$ —	\$ (32,419,614)	\$ (32,418,579)
Net income	—	—	—	9,222,780	9,222,780
Balance - March 31, 2022 (unaudited)	10,350,000	\$ 1,035	\$ —	\$ (23,196,834)	\$ (23,195,799)

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

HH&L ACQUISITION CO.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For The Three Months Ended March 31,	
	2023	2022
Cash Flows from Operating Activities:		
Net income	\$ 875,778	\$ 9,222,780
Adjustments to reconcile net income to net cash used in operating activities:		
Income from investments held in Trust Account	(2,228,577)	(33,789)
Change in fair value of derivative warrant liabilities	309,800	(9,603,800)
Changes in operating assets and liabilities:		
Prepaid expenses	(72,750)	(427)
Accounts payable	331,752	135,135
Accounts payable - related party	45,000	45,000
Accrued expenses	633,751	(74,224)
Net cash used in operating activities	(105,246)	(309,325)
Cash Flows from Investing Activities:		
Cash deposited in Trust Account	(760,000)	—
Disposal of investments held in Trust account	318,589,709	—
Net cash provided by investing activities	317,829,709	—
Cash Flows from Financing Activities:		
Proceeds from promissory note - related party	600,000	—
Proceeds from due to related party	380,000	—
Redemption of Class A ordinary shares	(318,589,709)	—
Net cash used in financing activities	(317,609,709)	—
Net change in cash	114,754	(309,325)
Cash - beginning of the period	21,259	399,935
Cash - end of the period	\$ 136,013	\$ 90,610

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

**HH&L ACQUISITION CO.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

Note 1 — Description of Organization and Business Operations

Organization and General

HH&L Acquisition Co. (the “Company”) was incorporated as a Cayman Islands exempted company on September 4, 2020. The Company was formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses or entities (the “Business Combination”).

As of March 31, 2023, the Company had not commenced any operations. All activity for the period from September 4, 2020 (inception) through March 31, 2023 relates to the Company’s formation and the initial public offering (the “Initial Public Offering”) described below, and since its Initial Public Offering its search 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 from its investments held in the Trust Account funded by the proceeds of the Initial Public Offering.

The Company’s sponsor is HH&L Investment Co., a Cayman exempted company (the “Sponsor”). The registration statement for the Company’s Initial Public Offering was declared effective on February 4, 2021. On February 9, 2021, the Company consummated its Initial Public Offering of 41,400,000 units (the “Units” and, with respect to the Class A ordinary shares included in the Units being offered, the “Public Shares”), including 5,400,000 additional Units to cover over-allotments (the “Over-Allotment Units”), at \$10.00 per Unit, generating gross proceeds of \$414.0 million, and incurring offering costs of approximately \$23.7 million, of which approximately \$14.5 million was for deferred underwriting commissions. On October 7, 2022, one of the underwriters waived its entitlement to their deferred fee of approximately \$8.7 million. On October 13, 2022, the remaining underwriter has waived entitlement to their deferred fee only with respect to the Proposed Business Combination as defined below. See Note 5.

Simultaneously with the closing of the Initial Public Offering, the Company consummated the private placement (“Private Placement”) of 10,280,000 warrants (each, a “Private Placement Warrant” and collectively, the “Private Placement Warrants”), at a price of \$1.00 per Private Placement Warrant with the Sponsor, generating gross proceeds of approximately \$10.3 million (see Note 4).

Upon the closing of the Initial Public Offering and the Private Placement, a total of \$414.0 million (\$10.00 per Unit) of the net proceeds of the Initial Public Offering and certain of the proceeds of the Private Placement was placed in a trust account (“Trust Account”), located in the United States with Continental Share Transfer & Trust Company acting as trustee, and is invested only in United States “government securities” within the meaning of Section 2(a)(16) of the Investment Company Act of 1940, as amended, or 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, until the earlier of: (i) the completion of a Business Combination and (ii) the distribution of the Trust Account as described below.

The Company’s management has broad discretion with respect to the specific application of the net proceeds of the Initial Public Offering and the sale of Private Placement Warrants, although substantially all of the net proceeds are intended to be applied generally toward consummating a Business Combination. There is no assurance that the Company will be able to complete a Business Combination successfully. The Company must complete one or more initial Business Combinations having an aggregate fair market value of at least 80% of the assets held in the Trust Account (excluding the deferred underwriting commissions and taxes payable, if any, on income earned on the Trust Account) at the time of the agreement to enter into the initial Business Combination. Additionally, pursuant to NYSE rules, any business combination must be approved by a majority of our independent directors until the 80% of net assets test described above is satisfied. However, the Company will only complete a 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”).

The Company will provide the holders of its Public Shares (the “Public Shareholders”) with the opportunity to redeem all or a portion of their Public Shares upon the completion of a Business Combination either (i) in connection with a shareholder meeting called to approve the Business Combination or (ii) by means of a tender offer. The decision as to whether the Company will seek shareholder approval of a Business Combination or conduct a tender offer will be made by the Company, solely in its discretion. The Public Shareholders will be entitled to redeem their Public Shares for a pro rata portion of the amount then in the Trust Account (initially at \$10.00 per Public Share). The per-share amount to be distributed to Public Shareholders who redeem their Public Shares will not be reduced by the deferred underwriting commissions the Company will pay to the underwriter (as discussed in Note 5). These Public Shares were classified as temporary equity upon the completion of the Initial Public Offering in accordance with the Financial Accounting Standards Board’s (“FASB”) Accounting Standards Codification (“ASC”) Topic 480 “Distinguishing Liabilities from Equity” (ASC 480). In such case, the Company will proceed with a Business Combination if the Company has net tangible assets of at least \$5,000,001 upon such consummation of a Business Combination and a majority of the shares voted are voted in favor of the Business Combination. If a shareholder vote is not required by law and the Company does not decide to hold a shareholder vote for business or other legal reasons, the Company will, pursuant to the amended and restated memorandum and articles of association (as may be amended from time to time, the “Charter”) which the Company has adopted upon the consummation of the Initial Public Offering (the “Amended and Restated Memorandum and Articles of Association”), conduct the redemptions pursuant to the tender offer rules of the U.S. Securities and Exchange Commission (“SEC”) and file tender offer documents with the SEC prior to completing a Business Combination. If, however, shareholder approval of the transactions is required by law, or the Company decides to obtain shareholder approval for business or legal reasons, the Company will offer to redeem shares in conjunction with a proxy solicitation pursuant to the proxy rules and not pursuant to the tender offer rules. Additionally, each Public Shareholder may elect to redeem their Public Shares irrespective of whether they vote for or against the proposed transaction. If the Company seeks shareholder approval in connection with a Business Combination, the initial shareholders (as defined below) agreed to vote their Founder Shares (as defined below in Note 4) and any Public Shares purchased during or after the Initial Public Offering in favor of a Business Combination. Subsequent to the consummation of the Initial Public Offering, the Company adopted an insider trading policy which will require insiders to: (i) refrain from purchasing shares during certain blackout periods and when they are in possession of any material non-public information and (ii) to clear all trades with the Company’s legal counsel prior to execution. In addition, the initial shareholders agreed to waive their redemption rights with respect to their Founder Shares and Public Shares in connection with the completion of a Business Combination.

Notwithstanding the foregoing, the Amended and Restated Memorandum and Articles of Association will provide that a Public Shareholder, together with any affiliate of such shareholder or any other person with whom such shareholder is acting in concert or as a “group” (as defined under Section 13 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), will be restricted from redeeming its shares with respect to more than an aggregate of 20% or more of the Class A ordinary shares sold in the Initial Public Offering, without the prior consent of the Company.

The Company’s Sponsor, officers and directors (the “initial shareholders”) agreed not to propose an amendment to the Amended and Restated Memorandum and Articles of Association (A) that would modify the substance or timing of the Company’s obligation to allow redemptions in connection with the initial Business Combination or to redeem 100% of its Public Shares if the Company does not complete a Business Combination by February 9, 2024, assuming the board of the Company has taken appropriate actions in accordance with the Second Extension Amendment Proposal, (taking into account the extension as described in Note 10, the “Combination Period”) or (B) with respect to any other provision relating to shareholders’ rights or pre-initial Business Combination activity, unless the Company provides the Public Shareholders with the opportunity to redeem their Public Shares in conjunction with any such amendment.

On February 7, 2023, the Company held an extraordinary general meeting (the “First Extraordinary General Meeting”). At the First Extraordinary General Meeting, the shareholders approved (1) a special resolution to amend the Company’s second amended and restated memorandum and articles of association (the “Second MAA”) to extend the date (the “Termination Date”) by which the Company must (i) consummate the Business Combination or (ii) cease its operations except for the purpose of winding up if it fails to complete such business combination and redeem or repurchase 100% of the Company’s Public Shares (the “Extension”) from February 9, 2023 to March 9, 2023 (the “First Extended Date”), and if the Company does not consummate a Business Combination by the First Extended Date, the period of time to consummate a Business Combination may be extended, without the approval of the Company’s shareholders, by resolutions of the Company’s board of directors of the Company (the “Board”) at least three days prior to First Extended Date, and to April 9, 2023 (the “Second Extended Date”); and may be further extended, by resolutions of the Board passed at least three days prior to the Second Extended Date, to May 9, 2023 (the “Third Extended Date”, and each of the First Extended Date, the Second Extended Date and the Third Extended Date, an “Extended Date”), for two additional one-month periods, for an aggregate of two months (each, an “Additional Extension Period”) (the “First Extension Amendment Proposal”) and (2) the proposal to approve amendment of the Company’s Investment Management Trust Agreement, dated February 5, 2021 (the “Trust Amendment”) to allow the Company to maintain any remaining amount in its Trust Account in an interest bearing demand deposit account at a bank (the “Trust Amendment Proposal”, and together with the First Extension Amendment Proposal, the “Extension Proposals”).

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In connection with the First Extraordinary General Meeting, the holders of 31,281,090 Class A ordinary shares elected to redeem their shares for cash at a redemption price of approximately \$10.18 per share, for an aggregate redemption amount of approximately \$318.6 million, leaving approximately \$103.1 million in the Trust Account.

On February 7, 2023, in connection with the First Extraordinary General Meeting, the Company and Continental Stock Transfer & Trust Company entered into the Amended and Restated Investment Management Trust Agreement (“Amended and Restated Trust Agreement”) to (i) reflect the Extension (as defined below) and (ii) allow the Company to maintain any remaining amount in its Trust Account established in connection with its IPO (the “Trust Account”) in an interest bearing demand deposit account at a bank (the “Trust Amendment”). A copy of the Amended and Restated Trust Agreement was filed on February 9, 2023 with the SEC on a Current Report on Form 8-K.

In connection with the First Extension Amendment Proposal, the Company agreed that for the period from February 9, 2023 until the First Extended Date, it shall deposit into the Trust Account \$380,000 for the benefit of Public Shareholders who did not redeem as of February 9, 2023 (the “First Contribution”), (B) if the Company does not consummate a Business Combination by the First Extended Date and the Board elects to extend the period to consummate a Business Combination from the First Extended Date to the Second Extended Date, for the period from the First Extended Date to the Second Extended Date, the Company shall deposit into the Trust Account another \$380,000 for the benefit of Public Shareholders who did not redeem as of the First Extended Date (the “Second Contribution”), and (C) if the Company does not consummate a Business Combination by the Second Extended Date and the Board elects to extend the period to consummate a business combination from the Second Extended Date to the Third Extended Date, for the period from the Second Extended Date to the Third Extended Date, the Company shall deposit into the Trust Account the lesser another \$380,000 for each Public Shareholders that did not redeem as of the Second Extended Date (the “Third Contribution”, and together with the First Contribution and the Second Contribution, the First-Phase Contribution (as defined below) and the Second-Phase Contribution (as defined below), the “Contributions”, each, a “Contributions”).

The First Contribution was deposited in the Trust Account on February 16, 2023. The Second Contribution was deposited into the Trust Account on March 16, 2023, and the Third Contribution was deposited into the Trust Account on April 18, 2023. The Sponsor and DiaCarta each loaned the Company 50% of each Contribution, under the First Extension Amendment Proposal, in advance of its deposit into the Trust Account. The loans to the Company for the Contributions do not bear interest and will be repayable by the Company to the Sponsor and DiaCarta upon consummation of an initial Business Combination. The loans will be forgiven if the Company is unable to consummate an initial Business Combination except to the extent of any funds held outside of the Trust Account. If the Company terminates an Additional Extension Period at any time up to the applicable Extended Date, the Company will liquidate and dissolve in accordance with the Second MAA, *provided* that the Company shall have deposited the applicable Contribution for such Additional Extension Period.

On May 9, 2023, the Company held another extraordinary general meeting (the “Second Extraordinary General Meeting”). At the Second Extraordinary General Meeting, the shareholders approved (1) a special resolution to amend the Company’s second amended and restated memorandum and articles of association, as amended on February 7, 2023 (the “Amended Second MAA”) to extend the Termination Date by which the Company must (i) consummate the Business Combination or (ii) cease its operations except for the purpose of winding up if it fails to complete such business combination and redeem or repurchase 100% of the Company’s then issued and outstanding public shares for three months, from May 9, 2023 to August 9, 2023 (the “First-Phase Extension Period”), and, if the Company does not consummate a business combination by August 9, 2023, the Termination Date may be further extended, without the need for any further approval of the Company’s shareholders, by resolutions of the Board of the Company at least three days prior to the applicable Extended Date, up to six times, each by an additional month, for an aggregate of six additional months, until February 9, 2024 (the “Second-Phase Extension Period”)(such proposal, the “Second Extension Amendment Proposal”).

In connection with the Second Extension Amendment Proposal, the Company agreed that, (A) for the First-Phase Extension Period, the Company shall deposit into the Trust Account the lesser of US\$487,500 and US\$0.0975 for each public share that is not redeemed as of May 9, 2023 (the “First-Phase Contribution”), (B) if the Company does not consummate a business combination by the First-Phase Extended Date and the Board elects to further extend the period to consummate a business combination, for each Second-Phase Extension Period, the Company shall deposit into the Trust Account the lesser of US\$162,500 and US\$0.0325 for each public share that is not redeemed as of May 9, 2023.

The First-Phase Contribution will be deposited in the Trust Account in three equal installments of US\$162,500, on May 16, 2023, June 16, 2023 and July 16, 2023, respectively. Each Second-Phase Contribution, if applicable, will be deposited into the Trust Account on (x) with respect to the first Second-Phase Extension Period, August 16, 2023, and (y) with respect to each subsequent Second-Phase Extension Period, the 16th day of the calendar month in which the immediate previous Second-Phase Extended Date falls. Each

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Contribution, under the Second Extension Amendment Proposal, will be deposited in full in advance into the Trust Account, funded by the proceeds from one or more loans to the Company from the Sponsor and/or DiaCarta. The loans to the Company for the Contributions will not bear interest and will be repayable by the Company to the Sponsor and/or DiaCarta, as the case may be, upon consummation of an initial business combination. The loans from the Sponsor and/or DiaCarta, as the case may be, will be forgiven if the Company is unable to consummate an initial business combination except to the extent of any fund held outside of the Trust Account. If the Company terminates an Extension Period at any time up to the applicable Extended Date, the Company will liquidate and dissolve in accordance with the Second MAA, as amended.

In connection with the Second Extraordinary General Meeting held on May 9, 2023, the holders of 3,887,893 Class A ordinary shares elected to redeem their shares for cash at a redemption price of approximately \$10.33 per share, for an aggregate redemption amount of approximately \$40.2 million, leaving approximately \$60.2 million in the Trust Account.

Pursuant to the second amended and restated memorandum and articles of association, as amended on February 7, 2023 and May 9, 2023, if the Company is unable to complete the initial Business Combination by February 9, 2024, assuming the board of the Company has taken appropriate actions in accordance with the Second Extension Amendment Proposal, the Company will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but no more than ten business days thereafter, redeem the public shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the trust account, including interest earned on the funds held in the trust account (less taxes payable and 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 shareholders' rights as shareholders (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 the remaining shareholders and the board of directors, liquidate and dissolve, subject in the case of clauses (ii) and (iii) to the Company obligations under Cayman Islands law to provide for claims of creditors and in all cases subject to the other requirements of applicable law. The Sponsor, officers and directors have entered into a letter agreement with the Company, pursuant to which they have agreed to waive their rights to liquidating distributions from the trust account with respect to their founder shares if the Company fails to complete the initial Business Combination by February 9, 2024, assuming the board of the Company has taken appropriate actions in accordance with the Second Extension Amendment Proposal. However, if the Sponsor or management team acquire public shares after our initial public offering, they will be entitled to liquidating distributions from the trust account with respect to such public shares if the Company fails to complete the initial Business Combination within the prescribed time period.

The Company's Sponsor, officers and directors have agreed to waive their liquidation rights with respect to the Founder Shares if the Company fails to complete a Business Combination within the Combination Period. However, if the Initial Shareholders or members of the Company's management team acquire Public Shares in or after the Initial Public Offering, they will be entitled to liquidating distributions from the Trust Account with respect to such Public Shares if the Company fails to complete a Business Combination within the Combination Period. The underwriters have agreed to waive their rights to its deferred underwriting commission (see Note 5) held in the Trust Account in the event the Company does not complete a Business Combination within the Combination Period and, in such event, such amounts will be included with the other funds held in the Trust Account that will be available to fund the redemption of the Public Shares. In the event of such distribution, it is possible that the per share value of the residual assets remaining available for distribution (including Trust Account assets) will be only \$10.00 per share initially held in the Trust Account. In order to protect the amounts held in the Trust Account, the Sponsor has agreed to be liable to the Company if and to the extent any claims by a vendor for services rendered or products sold to the Company, or a prospective target business with which the Company has discussed entering into a transaction agreement, reduce the amount of funds in the Trust Account. This liability will not apply with respect to any claims by a third party who executed a waiver of any right, title, interest or claim of any kind in or to any monies held in the Trust Account or to any claims under the Company's indemnity of the underwriters of the Initial Public Offering against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"). Moreover, in the event that an executed waiver is deemed to be unenforceable against a third party, the Sponsor will not be responsible to the extent of any liability for such third-party claims. The Company will seek to reduce the possibility that the Sponsor will have to indemnify the Trust Account due to claims of creditors by endeavoring to have all vendors, service providers (except for the Company's independent registered public accounting firm), prospective target businesses or other entities with which the Company does business, execute agreements with the Company waiving any right, title, interest or claim of any kind in or to monies held in the Trust Account.

On March 19, 2023, Credit Suisse Group AG, the parent company of Credit Suisse, and UBS Group AG ("UBS") entered into a merger agreement with UBS as the surviving entity. As of the date hereof, Credit Suisse has not informed the Company of any development that would affect the CS Fee Waiver or the Credit Suisse Resignation Letter.

Proposed Business Combination

On October 14, 2022, the Company entered into a Business Combination Agreement (the “Business Combination Agreement”) by and among the Company, Diamond Merger Sub Inc., a Delaware corporation and a direct wholly owned subsidiary of the Company (“Merger Sub”), and DiaCarta, Ltd., a Cayman Islands exempted company limited by shares (“DiaCarta”), as fully disclosed in a Current Report on Form 8-K as filed with the SEC by the Company on October 14, 2022.

Pursuant to the terms of the Business Combination Agreement, a business combination between the Company and DiaCarta (the “Proposed Business Combination”) will be effected in two steps. First, before the closing of the Proposed Business Combination (the “Closing”), both the Company and DiaCarta will deregister in the Cayman Islands and domesticate as Delaware corporations in accordance with Section 388 of the Delaware General Corporation Law and the Cayman Islands Companies Act (As Revised), with DiaCarta changing its name to DiaCarta Holdings, Inc. (the “Domestication”). Second, at the Closing, Merger Sub will merge with and into DiaCarta Holdings, Inc., with DiaCarta Holdings, Inc. surviving such merger as the surviving entity (the “Merger”). Upon consummation of the Proposed Business Combination, DiaCarta Holdings, Inc. will become a wholly owned subsidiary of the Company. The Company will then change its name to “DiaCarta, Inc.” We refer to the Company after the Domestication but before the Merger as “Domesticated SPAC.” The aggregate merger consideration paid to DiaCarta equityholders in connection with the Proposed Business Combination consists of 46 million shares of Domesticated SPAC Common Stock, which is calculated based on a pre-money equity valuation of DiaCarta at \$460.0 million on a fully diluted basis.

The obligations of the parties (or, in some cases, some of the parties) to consummate the Proposed Business Combination are subject to the satisfaction or waiver of certain customary closing conditions of the respective parties, including, among others: (i) the accuracy of representations and warranties to various standards, from no material qualifier to a material adverse effect qualifier, (ii) material compliance with pre-closing covenants, (iii) no material adverse effect both for the Company and DiaCarta and its subsidiaries, (iv) the delivery of customary closing certificates, (v) the waiting period of periods required by any Antitrust Authorities (as defined under the Business Combination Agreement) and any other Governmental Approvals (as defined under the Business Combination Agreement) shall have been obtained, expired or been terminated, as applicable, (vi) the absence of a legal prohibition on consummating the transactions, (vii) approval by the Company’s and DiaCarta’s shareholders, (viii) approval of the listing on the NYSE for newly issued shares, and (ix) the Company having at least \$5,000,001 of net tangible assets remaining after redemption.

In connection with the Business Combination, the Company entered into an engagement with a third party who will act as its financial advisor and its capital market advisor and placement agent in connection with the Proposed Business Combination. The fee arrangement consists of a \$4.0 million advisor fee and an offering fee of 4.0% of the sum of the gross proceeds raised by the third party. The fees are contingent upon the closing of the transaction and private placement. As prescribed by the arrangement, in the Company’s sole discretion, it may elect to pay the \$2.0 million of the advisor fee with ordinary shares of the publicly listed post-business combination company.

The Company has agreed, pursuant to the Business Combination Agreement, to seek additional investors through one or more private placements of common stock of the Domesticated SPAC. In connection with the Proposed Business Combination, the Sponsor has agreed to contribute or forfeit certain Class B Ordinary Shares owned by itself to facilitate financing after signing of the Business Combination Agreement and certain forfeiture arrangement with an agreed cap.

The full Business Combination Agreement and other agreements entered into or contemplated to be executed prior to the Closing have been filed on a Current Report on Form 8-K filed with the SEC on October 14, 2022. In addition, the Company has filed a Registration Statement on Form S-4/A on January 23, 2023 with respect to the Proposed Business Combination.

First Amendment to Business Combination Agreement

On January 20, 2023, the Company, Merger Sub and DiaCarta entered into the First Amendment to Business Combination Agreement (the “BCA Amendment”), pursuant to which the Business Combination Agreement was amended to provide that, among other things, DiaCarta shall prepare and submit to NYSE or Nasdaq an initial listing application, if required under NYSE or Nasdaq rules, in connection with the transactions contemplated by the Business Combination Agreement and covering the shares of Domesticated SPAC Common Stock issuable in accordance with the Business Combination Agreement and obtain approval for the listing on NYSE or Nasdaq of such shares of Domesticated SPAC Common Stock.

Note 2 — Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles of the United States of America (“U.S. GAAP”) for interim financial information and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP. In the opinion of our management, all adjustments (consisting of normal accruals) considered for a fair presentation have been included. Operating results for the three months ended March 31, 2023 are not necessarily indicative of the results that may be expected for the year ending December 31, 2023 or any future period.

The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the Company’s Annual Report on Form 10-K for the year ended December 31, 2022, as filed with the SEC on March 31, 2023, which contains the audited financial statements and notes thereto. The financial information as of December 31, 2022, is derived from the audited financial statements presented in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022, as filed with the SEC on March 31, 2023.

Principles of Consolidation

The condensed consolidated financial statements of the Company include its wholly owned subsidiary in connection with the planned merger. All inter-company accounts and transactions are eliminated in consolidation.

Emerging Growth Company

The Company is an “emerging growth company,” as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the independent registered public accounting firm 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 shareholder 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 an emerging growth company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such an 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 financial statement with another public company that is neither an emerging growth company nor an emerging growth company that has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Concentration of Cash Balances

The Company has significant cash balances at financial institutions which throughout the year regularly exceed the federally insured limit of \$250,000. 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.

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. The Company had no cash equivalents held outside the Trust Account as of March 31, 2023 and December 31, 2022.

Liquidity and Going Concern

As of March 31, 2023, the Company had approximately \$136,013 in its operating bank account and a working capital deficit of approximately \$5.8 million exclusive of working capital loan – related party of \$500,000 and convertible promissory note - related party \$600,000.

The Company's liquidity needs prior to the consummation of the Initial Public Offering were satisfied through a contribution of \$25,000 from the Sponsor to cover for certain expenses on behalf of the Company in exchange for the issuance of the Founder Shares (as defined in Note 4) and a loan of approximately \$185,000 from the Sponsor pursuant to the Note (as defined in Note 4). The Note was repaid in full in February 2021, at which date the Note was terminated. Subsequent to the consummation of the Initial Public Offering, the Company's liquidity was and will be satisfied through the proceeds from the consummation of the Private Placement not held in the Trust Account, Working Capital Loans (as defined in Note 4), convertible promissory note issued to Sponsor (as defined in Note 4 and Note 10) and loan from DiaCarta. As of March 31, 2023 and December 31, 2022, there were \$500,000 and \$500,000 outstanding under the Working Capital Loans, \$600,000 and \$0 outstanding under the convertible note issued to Sponsor and \$380,000 and \$0 outstanding under the loan from DiaCarta, respectively.

In connection with the Company's assessment of going concern considerations in accordance with FASB ASC 205-40, "Basis of Presentation – Going Concern," management has determined that the working capital deficit, mandatory liquidation and subsequent dissolution raise 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 February 9, 2024, assuming the board of the Company has taken appropriate actions in accordance with the Second Extension Amendment Proposal, or such later time as the Company's shareholders may approve in accordance with the Charter. The management plans to complete a Business Combination prior to the mandatory liquidation date and expects to receive financing from the Sponsor or an affiliate of the Sponsor certain of the Company's officers and directors to meet its obligations through the earlier of the consummation of its Business Combination or its liquidation. 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.

Investments Held in Trust Account

Prior to February 7, 2023, the Company's portfolio of investments is comprised of U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act, with a maturity of 185 days or less, or investments in money market funds that invest in U.S. government securities and generally have a readily determinable fair value, or a combination thereof. When the Company's investments held in the Trust Account are comprised of U.S. government securities, the investments are classified as trading securities. When the Company's investments held in the Trust Account are comprised of money market funds, the investments are recognized at fair value. Trading securities and investments in money market funds are presented on the consolidated balance sheets at fair value at the end of each reporting period. Gains and losses resulting from the change in fair value of these securities is included in income from investments held in the Trust Account in the accompanying unaudited condensed consolidated statements of operations. The estimated fair values of investments held in the Trust Account are determined using available market information. On and following February 7, 2023, the Company's portfolio of investments is comprised of deposits in interest bearing demand deposit accounts at banks.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited condensed consolidated financial statements and the reported amounts of income and expenses during the reporting period. Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the 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. Accordingly, the actual results could differ significantly from those estimates.

Fair Value of Financial Instruments

The fair value of the Company's assets and liabilities which qualify as financial instruments under the FASB ASC Topic 820, "Fair Value Measurements," equal or approximate the carrying amounts represented in the consolidated balance sheets, primarily due to their short-term nature, except for the derivative warrant liabilities (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 consist of:

- Level 1, defined as observable inputs such as quoted prices (unadjusted) 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.

Derivatives

The Company does not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. The Company evaluates all of its financial instruments, including issued stock purchase warrants and debt with convertible features, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives, pursuant to ASC 480 and FASB ASC Topic 815, “Derivatives and Hedging” (“ASC 815”). The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period.

The Public Warrants and Private Placement Warrants are recognized as derivative warrant liabilities in accordance with ASC 815. Accordingly, the Company recognizes the warrant instruments as liabilities at fair value and adjusts the instruments to fair value at each reporting period until they are exercised. The fair value of warrants issued by the Company in connection with the Public Offering and Private Placement have initially been estimated using Monte-Carlo simulations at each measurement date. As of March 31, 2023 and December 31, 2022, the fair value of the Public Warrants was estimated at their listed public trading price. The Private Placement warrants continue to be estimated using Monte Carlo simulations. Derivative warrant liabilities 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.

Working Capital Loans and Convertible Promissory Note (as defined in Note 4) may be converted into warrants of the post Business Combination entity at a price of \$1.00 per warrant, at the option of the holder. The warrants obtained from conversion will be identical to the Private Placement Warrants. The embedded conversion option is not clearly and closely related to the debt host instrument and was bifurcated from the loan host instrument pursuant to ASC 815, with a de minimis value, and classified on a combined basis with the loan host instrument in Working Capital Loan—related party and Convertible Promissory Note in the accompanying condensed consolidated balance sheets.

Offering Costs Associated with the Initial Public Offering

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 are 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 associated with warrant liabilities are expensed as incurred, presented as non-operating expenses in the accompanying unaudited condensed consolidated statements of operations. Offering costs associated with the Class A ordinary shares were charged against the carrying value of the shares of Class A ordinary share upon the completion of the Initial Public Offering. Of the total offering costs of the Initial Public Offering, approximately \$821,000 was charged to expense in offering costs associated with warrant liabilities and \$22.8 million was charged against the carrying value of the Class A ordinary shares subject to possible redemption. The Company classifies deferred underwriting commissions 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.

Class A Ordinary Shares Subject to Possible Redemption

The Company accounts for its Class A ordinary shares subject to possible redemption in accordance with the guidance in ASC Topic 480 “Distinguishing Liabilities from Equity.” Class A ordinary shares subject to mandatory redemption (if any) is classified as liability instruments and are measured at fair value. Conditionally redeemable Class A ordinary shares (including Class A ordinary share 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) are classified as temporary equity. At all other times, Class A ordinary shares are classified as shareholders’ equity. The Company’s Class A ordinary 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, 2023 and December 31, 2022, 10,118,910 and 41,400,000 shares of Class A ordinary share subject to possible redemption are presented at redemption value as temporary equity, outside of the shareholders’ deficit section of the Company’s consolidated balance sheets.

Under ASC 480-10-S99, the Company has elected to recognize changes in the redemption value immediately as they occur and adjust the carrying value of the security to equal the redemption value at the end of each reporting period. This method would view the end of the reporting period as if it were also the redemption date for the security.

Effective with the closing of the Initial Public Offering, the Company recognized the accretion from initial book value to redemption amount, which resulted in charges against additional paid-in capital (to the extent available) and accumulated deficit.

Income Taxes

FASB ASC 740, “Income Taxes,” prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions 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. There were no unrecognized tax benefits as of March 31, 2023 and December 31, 2022. The Company’s management determined that the Cayman Islands is the Company’s only major tax jurisdiction. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. No amounts were accrued for the payment of interest and penalties as of March 31, 2023 and December 31, 2022. 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 is subject to income tax examinations by major taxing authorities since inception.

There is currently no taxation imposed on income by the Government of the Cayman Islands. In accordance with Cayman income tax regulations, income taxes are not levied on the Company. Consequently, income taxes are not reflected in the Company’s financial statement. The Company’s management does not expect that the total amount of unrecognized tax benefits will materially change over the next twelve months.

Net Income per Ordinary 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 ordinary share and Class B ordinary share. Income and losses are shared pro rata between the two classes of shares. Net income per share is calculated by dividing the net income by the weighted average shares of ordinary share outstanding for the respective period. The calculation of diluted net income per ordinary share does not consider the effect of the warrants issued in connection with the Initial Public Offering and the Private Placement to purchase an aggregate of 30,980,000 shares of ordinary share in the calculation of diluted income per share, because their exercise is contingent upon future events. Accretion associated with the redeemable Class A ordinary share is excluded from earnings per share as the redemption value approximates fair value.

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The following table reflects a reconciliation of the numerator and denominator used to compute basic and diluted net income per share for each class of ordinary share:

	For the Three Months Ended March 31,			
	2023		2022	
	Class A	Class B	Class A	Class B
Basic and diluted net income per ordinary share:				
<i>Numerator:</i>				
Allocation of net income - basic	\$ 606,620	\$ 269,158	\$ 7,378,224	\$ 1,844,556
Allocation of net income - diluted	\$ 606,620	\$ 269,158	\$ 7,378,224	\$ 1,844,556
<i>Denominator:</i>				
Basic weighted average ordinary shares outstanding	23,326,481	10,350,000	41,400,000	10,350,000
Diluted weighted average ordinary shares outstanding	23,326,481	10,350,000	41,400,000	10,350,000
Basic net income per ordinary share	\$ 0.03	\$ 0.03	\$ 0.18	\$ 0.18
Diluted net income per ordinary share	\$ 0.03	\$ 0.03	\$ 0.18	\$ 0.18

Recent Accounting Pronouncements

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

Note 3 — Initial Public Offering

On February 9, 2021, the Company consummated its Initial Public Offering of 41,400,000 Units, including 5,400,000 Over-Allotment Units, at \$10.00 per Unit, generating gross proceeds of \$414.0 million, and incurring offering costs of approximately \$23.7 million, of which approximately \$14.5 million was for deferred underwriting commissions. On October 7, 2022, one of the underwriters waived its entitlement to their deferred fee of approximately \$8.7 million and the other waived entitlement only with respect to the Proposed Business Combination. See Note 5.

Each Unit consists of one Class A ordinary share, and one-half of one redeemable warrant (each, a “Public Warrant”). Each Public Warrant entitles the holder to purchase one Class A ordinary share at a price of \$11.50 per share, subject to adjustment (see Note 6).

Note 4 — Related Party Transactions

Founder Shares

On September 7, 2020, the Sponsor paid \$25,000, or approximately \$0.002 per share, to cover certain expenses on behalf of the Company in exchange for issuance of 14,375,000 Class B ordinary shares, par value \$0.0001 (the “Founder Shares”). On January 20, 2021, the Sponsor returned 5,750,000 Founder Shares for no consideration. On February 4, 2021, the sponsor transferred an aggregate of 66,000 of its founder shares, or 22,000 each to the Company’s independent directors for their board service for no cash consideration. These shares are not subject to forfeiture. Also on February 4, 2021, the Company effected a share dividend of 1,725,000 Class B ordinary shares, resulting in an aggregate of 10,350,000 Class B ordinary shares outstanding. The Sponsor had agreed to forfeit up to 1,350,000 Founder Shares to the extent that the over-allotment option was not exercised in full by the underwriters. The forfeiture would be adjusted to the extent that the over-allotment option was not exercised in full by the underwriters so that the Founder Shares will represent 20.0% of the Company’s issued and outstanding shares after the Initial Public Offering. If the Company increased or decreased the size of the offering, the Company would have effected a share capitalization or share contribution back to capital, as applicable, immediately prior to the consummation of the Initial Public Offering in such amount as to maintain the Founder Share ownership of the Company’s shareholders prior to the Initial Public Offering at 20.0% of the Company’s issued and outstanding ordinary shares upon the consummation of the Initial Public Offering. The over-allotment was exercised, as such no shares are subject to forfeiture.

The Initial Shareholders agreed, subject to limited exceptions, not to transfer, assign or sell any of their Founder Shares until the earlier to occur of: (i) one year after the completion of the initial Business Combination or (ii) the date following the completion of the initial Business Combination on which the Company completes a liquidation, merger, share exchange or other similar transaction that results in all of the shareholders having the right to exchange their ordinary shares for cash, securities or other property. Notwithstanding the foregoing, if the closing price of the Class A ordinary shares equals or exceeds \$12.00 per share (as adjusted for share sub-divisions,

share capitalizations, 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, the Founder Shares will be released from the lockup.

Private Placement Warrants

Simultaneously with the closing of the Initial Public Offering, the Company consummated the Private Placement of 10,280,000 Private Placement Warrants, at a price of \$1.00 per Private Placement Warrant with the Sponsor, generating gross proceeds of approximately \$10.3 million.

Each whole Private Placement Warrant is exercisable for one whole Class A ordinary share at a price of \$11.50 per share. A portion of the proceeds from the Private Placement Warrants was added to the proceeds from the Initial Public Offering held in the Trust Account. If the Company does not complete a Business Combination within the Combination Period, the Private Placement Warrants will expire worthless. The Private Placement Warrants will be non-redeemable and exercisable on a cashless basis so long as they are held by the Sponsor or its permitted transferees.

The Sponsor and the Company's officers and directors agreed, subject to limited exceptions, not to transfer, assign or sell any of their Private Placement Warrants until 30 days after the completion of the initial Business Combination.

Related Party Loans

Promissory Note - Related Party

On September 7, 2020, the Sponsor agreed to loan the Company an aggregate of up to \$300,000 to cover for expenses related to the Initial Public Offering pursuant to a promissory note (the "Note"). This loan was non-interest bearing and payable upon the completion of the Initial Public Offering. As of February 9, 2021, the Company borrowed approximately \$185,000 under the Note. On February 9, 2021, the Company repaid approximately \$6,000 to the Sponsor. On February 11, 2021, the Company paid the remaining balance of the Note and such loan is no longer available to the Company.

Convertible Promissory Note

On March 6, 2023, the Company issued an unsecured convertible promissory note (the "March 2023 Note") to the Sponsor, pursuant to which the Company may borrow up to \$600,000 under the March 2023 Note. The Company may apply up to \$570,000 under the March 2023 Note to fund the Contributions (the "Extension Deposit Amount"), and shall apply any remaining amount under the March 2023 Note for general corporate purpose ("General Corporate Amount"). The initial principal balance outstanding under the March 2023 Note is \$190,000 at the time of issuance, which was used to fund the First Contribution. On March 16, 2023 and April 18, 2023, the Company used \$380,000 under the March 2023 Note to fund the Second and Third Contribution. The remaining \$30,000 under the March 2023 Note were used to fund the General Corporate Amount. As of the date of this Quarterly Report, the total outstanding amount under the March 2023 Note is \$600,000.

The General Corporate Amount may, at the Sponsor's discretion, be converted into warrants (the "General Corporate Amount Warrants") to purchase Class A Ordinary Shares, at a conversion price equal to \$1.00 per warrant, with each warrant entitling the holder to purchase one Class A Ordinary Share at a price of \$11.50 per share, subject to the same adjustments applicable to the Private Placement Warrants. The terms of the General Corporate Amount Warrants will be identical to those of the Private Placement Warrants. As of March 31, 2023, no General Corporate Amount has been converted into warrant.

The March 2023 Note will not bear any interest, and will be repayable by the Company to the Sponsor, if not converted or repaid on the effective date of an initial Business Combination involving the Company and one or more businesses. The maturity date of the March 2023 Note may be accelerated upon the occurrence of an Event of Default (as defined under the March 2023 Note). In the event that an initial Business Combination is not consummated, the Extension Deposit Amount will be forgiven or eliminated, except to the extent of any fund held by the Company outside of the Trust Account.

Due to Related Party

DiaCarta agreed to loan the Company 50% of each Contribution, under the First Extension Amendment Proposal, in advance of its deposit into the Trust Account. The loans to the Company for the Contributions will not bear interest and will be repayable by the Company to DiaCarta upon consummation of an initial Business Combination. The loans will be forgiven if the Company is unable to

consummate an initial Business Combination except to the extent of any funds held outside of the Trust Account. If the Company terminates an Additional Extension Period at any time up to the applicable Extended Date, the Company will liquidate and dissolve in accordance with the Second MAA, provided that the Company shall have deposited the applicable Contribution for such Additional Extension Period.

As of March 31, 2023, the Company received \$380,000 from DiaCarta and recorded these funds as due to related party. All the \$380,000 from DiaCarta were deposited into Trust Account for the Extension as described above.

On April 13, 2023, the Company received \$190,000 from DiaCarta and fully transferred these funds to Trust Account on April 13, 2023 to extend the Terminate Date.

Working Capital Loans

In order to finance transaction costs in connection with a Business Combination, the Sponsor or an affiliate of the Sponsor, or certain of the Company's officers and directors may, but are not obligated to, loan the Company funds as may be required ("Working Capital Loans"). If the Company completes a Business Combination, the Company will repay the Working Capital Loans out of the proceeds of the Trust Account released to the Company. Otherwise, the Working Capital Loans would be repaid only out of funds held outside the Trust Account. In the event that a Business Combination does not close, the Company may use a portion of the proceeds held outside the Trust Account to repay the Working Capital Loans but no proceeds held in the Trust Account would be used to repay the Working Capital Loans. Except for the foregoing, the terms of such Working Capital Loans, if any, have not been determined and no written agreements exist with respect to such loans. The Working Capital Loans would either be repaid upon consummation of a Business Combination, without interest, or, at the lender's discretion, up to \$1.5 million of such Working Capital Loans may be convertible into warrants of the post Business Combination entity at a price of \$1.00 per warrant. The terms of the warrants would be identical to those of the Private Placement Warrants.

On September 15, 2022, the Company issued an unsecured convertible promissory note to its Sponsor, pursuant to which the Company may borrow up to \$500,000 (the "working capital loan - related party") from the Sponsor for general corporate purpose. Such loan may, at the Sponsor's discretion, be converted into warrants (the "Working Capital Loan Warrants") to purchase Class A ordinary shares of the Company, par value \$0.0001 per share, at a conversion price equal to \$1.00 per warrant, with each warrant entitling the holder to purchase one Class A ordinary share of the Company at a price of \$11.50 per share, subject to the same adjustments applicable to the Private Placement Warrants. The terms of the Working Capital Loan Warrants will be identical to those of the Private Placement Warrants. The working capital loan - related party will not bear any interest and will be repayable by the Company to the Sponsor, if not converted or repaid on the effective date of the initial Business Combination unless accelerated upon the occurrence of an Event of Default (as defined under the unsecured convertible promissory note), which includes failure by the Company to make required payments under the unsecured convertible promissory note and bankruptcy of the Company. As of March 31, 2023 and December 31, 2022, there were \$500,000 and \$500,000, respectively, outstanding under Working Capital Loan, reflected as working capital loan - related party on the accompanying condensed consolidated balance sheets.

Administrative Service Agreement

Commencing on the date the Company's securities are first listed on the New York Share Exchange, the Company agreed to pay the Sponsor a total of \$15,000 per month for office space, utilities, secretarial and administrative services provided to the Company. Upon completion of the initial Business Combination or the Company's liquidation, the Company will cease paying these monthly fees. For the three months ended March 31, 2023 and 2022, the Company incurred \$45,000 and \$45,000 of expenses for these services, respectively, which are recognized in the accompanying condensed consolidated statements of operations as administrative expenses - related party. As of March 31, 2023 and December 31, 2022, there was \$390,000 and \$345,000 outstanding related to these expenses, respectively, in accounts payable - related party on the accompanying condensed consolidated balance sheets.

Note 5 — Commitments and Contingencies

Registration and Shareholder Rights

The holders of (i) Founder Shares, (ii) Private Placement Warrants (and the Class A ordinary shares underlying such Private Placement Warrants), and (iii) private placement warrants that may be issued upon conversion of Working Capital Loans are entitled to registration rights pursuant to a registration and shareholder rights agreement signed upon consummation of the Initial Public Offering. These holders are entitled to certain demand and “piggyback” registration rights. However, the registration and shareholder rights agreement provide that the Company will not permit any registration statement filed under the Securities Act to become effective until the termination of the applicable lock-up period for the securities to be registered. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

Underwriting Agreement

The Company granted the underwriter a 45-day option from the date of the final prospectus relating to the Initial Public Offering to purchase up to 5,400,000 additional Units to cover over-allotments, if any, at the Initial Public Offering price less the underwriting discounts and commissions. On February 9, 2021, the underwriter fully exercised its over-allotment option.

The underwriter was entitled to an underwriting discount of \$0.20 per unit, or approximately \$8.3 million in the aggregate, paid upon the closing of the Initial Public Offering. In addition, \$0.35 per unit, or approximately \$14.5 million in the aggregate will be payable to the underwriter for deferred underwriting commissions. The deferred fee would become payable to the underwriter from the amounts held in the Trust Account solely in the event that the Company completes a Business Combination, subject to the terms of the underwriting agreement.

On October 7, 2022, Goldman Sachs, one of the participating underwriters in the Company’s Initial Public Offering, waived its entitlement to its respective portion of the total deferred underwriting fee, resulting in an adjustment to Class A ordinary shares subject to possible redemption of approximately \$8.4 million and a gain from extinguishment of the deferred underwriting commissions allocated to the derivative warrant liabilities of approximately \$296,000, this is not presented in the accompanying condensed consolidated balance sheets.

On October 13, 2022, Credit Suisse executed a letter agreement with the Company, in which they waived their respective portion of the deferred underwriting fee, approximately \$5.8 million, with respect to the Proposed Business Combination.

Risks and Uncertainties

Management continues to evaluate the impact of the COVID-19 pandemic on the industry and has concluded that while it is reasonably possible that the virus could have a negative effect on the Company’s financial position, results of its operations and/or search for a target company, the specific impact is not readily determinable as of the date of these unaudited condensed consolidated financial statements. The unaudited condensed consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In February 2022, the Russian Federation and Belarus commenced a military action with the country of Ukraine. As a result of this action, various nations, including the United States, have instituted economic sanctions against the Russian Federation and Belarus. The impact of this action and related sanctions on the world economy are not determinable as of the date of this report and the specific impact on the Company’s financial condition, results of operations, and cash flows is also not determinable as of the date of this Annual Report.

Note 6 — Derivative Warrant Liabilities

As of March 31, 2023 and December 31, 2022, the Company has 20,700,000 and 10,280,000 Public Warrants and Private Placement Warrants, respectively, outstanding.

The Public Warrants will become exercisable at \$11.50 per share on the later of (a) 30 days after the completion of the initial Business Combination or (b) 12 months from the closing of the Initial Public Offering; provided in each case that the Company has an effective registration statement under the Securities Act covering the Class A ordinary shares issuable upon exercise of the warrants and a current prospectus relating to them is available (or the Company permits holders to exercise their warrants on a cashless basis and such cashless exercise is exempt from registration under the Securities Act). 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 commercially reasonable efforts to file with the SEC and have an effective registration statement covering the Class A ordinary shares issuable upon exercise of the warrants and to maintain a current prospectus relating to those Class A ordinary shares until the warrants expire or are redeemed, as specified in the warrant agreement. If a registration statement covering the Class A ordinary shares 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 Class A ordinary shares 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, it will not be required to file or maintain in effect a registration statement, and in the event the Company does not so elect, it will use commercially reasonable efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available.

The warrants will expire five years after the completion of a Business Combination or earlier upon redemption or liquidation.

The exercise price and number of ordinary shares issuable upon exercise of the warrants may be adjusted in certain circumstances including in the event of a share dividend, or recapitalization, reorganization, merger or consolidation. In addition, if (x) the Company issues additional Class A ordinary shares 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 Class A ordinary share (with such issue price or effective issue price to be determined in good faith by the board of directors and, in the case of any such issuance to the Initial Shareholders or their affiliates, without taking into account any Founder Shares held by the initial shareholders or such affiliates, as applicable, prior to such issuance) (the “Newly Issued Price”), (y) the aggregate gross proceeds from such issuances represent more than 60% of the total equity proceeds, plus interest thereon, available for the funding of the initial Business Combination on the date of the consummation of the initial Business Combination (net of redemptions), and (z) the volume-weighted average trading price of the Class A ordinary shares during the 10-trading day period starting on the trading day prior to the day on which the Company consummates the initial Business Combination (such price, the “Market Value”) is below \$9.20 per share, then the exercise price of the warrants will be adjusted (to the nearest cent) to be equal to 115% of the higher of the Market Value and the Newly Issued Price, the \$18.00 per share redemption trigger price described below will be adjusted (to the nearest cent) to be equal to 180% of the higher of the Market Value and the Newly Issued Price, and the \$10.00 per share redemption trigger price described below will be adjusted (to the nearest cent) to be equal to the higher of the Market Value and the Newly Issued Price”.

The terms of the Private Placement Warrants are identical to those of the Public Warrants underlying the Units sold in the Initial Public Offering, except that the Private Placement Warrants and the ordinary shares issuable upon exercise of the Private Placement Warrants, so long as they are held by the Sponsor or its permitted transferees, (i) will not be redeemable by the Company, (ii) may not (including the Class A ordinary shares issuable upon exercise of these warrants), subject to certain limited exceptions, be transferred, assigned or sold by the holders until 30 days after the completion of the initial Business Combination, (iii) may be exercised by the holders on a cashless basis and (iv) will be entitled to registration rights. If the Private Placement Warrants are held by holders other than the Sponsor or its permitted transferees, the Private Placement Warrants will be redeemable by the Company and exercisable by the holders on the same basis as the Public Warrants.

Once the warrants become exercisable, the Company may call the Public Warrants for redemption (except with respect to the Private Placement 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; and
- if, and only if, the closing price of the Class A ordinary shares equals or exceeds \$18.00 per share (as adjusted) 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 Company will have the option to require any holder that wishes to exercise his, her or its warrant to do so on a "cashless basis." In no event will the Company be required to net cash settle any Warrant. If the Company is unable to complete a Business Combination within the Combination Period and the Company liquidates the funds held in the Trust Account, holders of Warrants will not receive any of such funds with respect to their Warrants, nor will they receive any distribution from the Company's assets held outside of the Trust Account with the respect to such Warrants. Accordingly, the Warrants may expire worthless.

Note 7 — Class A Ordinary Shares Subject to Possible Redemption

The Company's Class A ordinary share 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 500,000,000 shares of Class A ordinary share with a par value of \$0.0001 per share. Holders of the Company's Class A ordinary share are entitled to one vote for each share. On February 7, 2023, in connection with the First Extraordinary General Meeting, the holders of 31,281,090 Class A ordinary shares elected to redeem their shares for cash at a redemption price of approximately \$10.18 per share, for an aggregate redemption amount of approximately \$318.6 million, leaving approximately \$103.1 million in the Trust Account. As of March 31, 2023 and December 31, 2022, there were 10,118,910 and 41,400,000 shares of Class A ordinary share outstanding, which were all subject to possible redemption and are classified outside of permanent equity in the consolidated balance sheets.

The Class A ordinary share subject to possible redemption reflected on the consolidated balance sheets is reconciled on the following table:

Gross proceeds	\$	414,000,000
Less:		
Fair value of Public Warrants at issuance		(14,076,000)
Offering costs allocated to Class A ordinary shares subject to possible redemption		(22,759,327)
Plus:		
Accretion of Class A ordinary shares subject to possible redemption amount		36,835,327
Class A ordinary shares subject to possible redemption - December 31, 2021		414,000,000
Plus:		
Waiver of Class A shares issuance costs		8,398,404
Less:		
Remeasurement of Class A ordinary shares subject to possible redemption		(2,406,102)
Class A ordinary shares subject to possible redemption - December 31, 2022	\$	419,992,302
Plus:		
Accretion of Class A ordinary shares subject to possible redemption		2,988,577
Less:		
Redemption of Class A ordinary shares		(318,589,709)
Class A ordinary shares subject to possible redemption - March 31, 2023	\$	104,391,170

In connection with the Second Extraordinary General Meeting held on May 9, 2023, the holders of 3,887,893 Class A ordinary shares elected to redeem their shares for cash at a redemption price of approximately \$10.33 per share, for an aggregate redemption amount of approximately \$40.2 million, leaving approximately \$60.2 million in the Trust Account.

Note 8 — Shareholders' Deficit

Preference Shares—The Company is authorized to issue 5,000,000 preference shares with such designations, voting and other rights and preferences as may be determined from time to time by the Company's board of directors. As of March 31, 2023 and December 31, 2022, there were no preference shares issued or outstanding.

Class A Ordinary Shares— The Company is authorized to issue 500,000,000 Class A ordinary shares with a par value of \$0.0001 per share. As of March 31, 2023 and December 31, 2022, there were 10,118,910 and 41,400,000 shares of Class A ordinary shares issued and outstanding, all subject to possible redemption and therefore classified as temporary equity on the accompanying condensed consolidated balance sheets (See Note 7).

Class B Ordinary Shares— The Company is authorized to issue 50,000,000 Class B ordinary shares with a par value of \$0.0001 per share. As of March 31, 2023 and December 31, 2022, there were 10,350,000 shares of Class B ordinary shares issued and outstanding.

Holders of the Class A ordinary shares and holders of the Class B ordinary shares will vote together as a single class on all matters submitted to a vote of the Company's shareholders, except as required by law.

If the Company calls the warrants for redemption as described above, the Company will have the option to require any holder that wishes to exercise his, her or its warrant to do so on a "cashless basis." In no event will the Company be required to net cash settle any Warrant. If the Company is unable to complete a Business Combination within the Combination Period and the Company liquidates the funds held in the Trust Account, holders of Warrants will not receive any of such funds with respect to their Warrants, nor will they receive any distribution from the Company's assets held outside of the Trust Account with the respect to such Warrants. Accordingly, the Warrants may expire worthless.

The Class B ordinary shares will automatically convert into Class A ordinary shares concurrently with or immediately following the consummation of the initial Business Combination on a one-for-one basis, subject to adjustment for share splits, share capitalizations, reorganizations, recapitalizations and the like, and subject to further adjustment as provided herein. In the case that additional Class A ordinary shares or equity-linked securities are issued or deemed issued in connection with the initial Business Combination, the number of Class A ordinary shares issuable upon conversion of all Founder Shares will equal, in the aggregate, 20% of the total number of Class A ordinary shares outstanding after such conversion (after giving effect to any redemptions of Class A ordinary shares by Public Shareholders), including the total number of Class A ordinary shares issued, or deemed issued or issuable upon conversion or exercise of any equity-linked securities or rights issued or deemed issued, by the Company in connection with or in relation to the consummation of the initial Business Combination, excluding any Class A ordinary shares or equity-linked securities exercisable for or convertible into Class A ordinary shares issued, or to be issued, to any seller in the initial Business Combination and any Private Placement Warrants issued to the Sponsor, officers or directors upon conversion of Working Capital Loans; provided that such conversion of Founder Shares will never occur on a less than one-for-one basis.

Note 9 — Fair Value Measurements

The following tables present information about the Company's financial assets and liabilities that are measured at fair value on a recurring basis as of March 31, 2023 and December 31, 2022 and indicates the fair value hierarchy of the valuation techniques that the Company utilized to determine such fair value.

Description	Fair Value Measured as of March 31, 2023		
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Assets:			
Investments held in Trust Account	\$ 104,491,170	\$ —	\$ —
Liabilities:			
Derivative warrant liabilities - Public Warrant	\$ 1,242,000	\$ —	\$ —
Derivative warrant liabilities - Private Placement Warrant	\$ —	\$ —	\$ 616,800

Description	Fair Value Measured as of December 31, 2022		
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Assets:			
Investments held in Trust Account	\$ 420,092,302	\$ —	\$ —
Liabilities:			
Derivative warrant liabilities - Public Warrant	\$ 1,035,000	\$ —	\$ —
Derivative warrant liabilities - Private Placement Warrant	\$ —	\$ —	\$ 514,000

The Company utilized a Monte-Carlo simulation to estimate the fair value of the warrants initially and subsequently for the Private Warrants, with changes in fair value recognized on the accompanying unaudited condensed consolidated statements of operations. On March 31, 2023 and December 31, 2022, the fair value of the Public Warrants was measured using the public trading price.

For the three months ended March 31, 2023 and 2022, the Company recognized a loss from an increase in fair value of derivative warrant liabilities of approximately \$0.3 million and a gain from a decrease in the fair value of derivative warrant liabilities of approximately \$9.6 million, respectively, presented as change in fair value of derivative warrant liabilities on the accompanying unaudited condensed consolidated statements of operations.

The change in the fair value of the derivative warrant liabilities measured with Level 3 inputs for the period ended March 31, 2023 and December 31, 2022, is summarized as follows:

Derivative warrant liabilities at December 31, 2021 - Level 3	\$ 5,756,800
Change in fair value of derivative warrant liabilities - Level 3	(5,242,800)
Derivative warrant liabilities at December 31, 2022 - Level 3	\$ 514,000
Change in fair value of derivative warrant liabilities - Level 3	102,800
Derivative warrant liabilities at March 31, 2023 - Level 3	<u>\$ 616,800</u>

The estimated fair value of the private derivative warrant liabilities has been determined using Level 3 inputs. Inherent in a Monte-Carlo simulation are assumptions related to expected stock-price volatility, expected life and risk-free interest rate. The Company estimates the volatility of its ordinary shares based on historical volatility of select peer companies that matches the expected remaining life of the warrants. The risk-free interest rate is based on the U.S. Treasury zero-coupon yield curve on the grant date for a maturity similar to the expected remaining life of the warrants. The expected life of the warrants is assumed to be equivalent to their remaining contractual term.

The following table provides quantitative information regarding the Level 3 fair value measurements inputs at their measurement dates:

	December 31, 2022	March 31, 2023
Exercise price	\$ 11.50	\$ 11.50
Volatility	5.50 %	5.50 %
Stock price	\$ 10.11	\$ 10.33
Expected life of the options to convert	5.19	5.11
Risk-free rate	3.91 %	3.53 %
Implied Success	5.40 %	6.40

The primary significant unobservable input used in the fair value measurement of the Company's private warrants is the expected volatility of the ordinary shares. Significant increases (decreases) in the expected volatility in isolation would result in a significantly higher (lower) fair value measurement.

Transfers to/from Levels 1, 2 and 3 are recognized at the end of the reporting period in which a change in valuation technique or methodology occurs. No transfers to/from Levels 1, 2 and 3 are recognized during the three months ended March 31, 2023 and 2022.

Note 10 — Subsequent Events

The Company evaluated subsequent events and transactions that occurred up to the date unaudited condensed consolidated financial statements were issued. Based upon this review, except for the below, the Company did not identify any subsequent events that have occurred that would require adjustment or disclosures in the unaudited condensed consolidated financial statements.

Extension of Deadline to Complete the Company's Initial Business Combination

On April 13, 2023, and April 18, 2023, each of the Company and DiaCarta deposited \$190,000, as their respective portion of the Third Contribution, into the Trust Account to extend the Terminate Date to May 9, 2023.

On May 9, 2023, the Company held the Second Extraordinary General Meeting. At the Second Extraordinary General Meeting, the shareholders approved (1) a special resolution to amend the Company's Amended Second MAA to extend the Termination Date by which the Company must (i) consummate the Business Combination or (ii) cease its operations except for the purpose of winding up if it fails to complete such business combination and redeem or repurchase 100% of the Company's then issued and outstanding public shares for three months, from May 9, 2023 to August 9, 2023, and, if the Company does not consummate a business combination by August 9, 2023, the Termination Date may be further extended, without the need for any further approval of the Company's shareholders, by resolutions of the Board of the Company at least three days prior to the applicable Extended Date, up to six times, each by an additional month, for an aggregate of six additional months, until February 9, 2024.

In connection with the Second Extension Amendment Proposal, the Company agreed that, (A) for the First-Phase Extension Period, the Company shall deposit into the Trust Account the lesser of US\$487,500 and US\$0.0975 for each public share that is not redeemed as of May 9, 2023, (B) if the Company does not consummate a business combination by the First-Phase Extended Date and the Board elects to further extend the period to consummate a business combination, for each Second-Phase Extension Period, the Company shall deposit into the Trust Account the lesser of US\$162,500 and US\$0.0325 for each public share that is not redeemed as of May 9, 2023.

The First-Phase Contribution will be deposited in the Trust Account in three equal installments of US\$162,500, on May 16, 2023, June 16, 2023 and July 16, 2023, respectively. Each Second-Phase Contribution, if applicable, will be deposited into the Trust Account on (x) with respect to the first Second-Phase Extension Period, August 16, 2023, and (y) with respect to each subsequent Second-Phase Extension Period, the 16th day of the calendar month in which the immediate previous Second-Phase Extended Date falls.

Each Contribution, under the Second Extension Amendment Proposal, will be deposited in full in advance into the Trust Account, funded by the proceeds from one or more loans to the Company from the Sponsor and/or DiaCarta. The loans to the Company for the Contributions will not bear interest and will be repayable by the Company to the Sponsor and/or DiaCarta, as the case may be, upon consummation of an initial business combination. The loans from the Sponsor and/or DiaCarta, as the case may be, will be forgiven if the Company is unable to consummate an initial business combination except to the extent of any fund held outside of the Trust Account. If the Company terminates an Extension Period at any time up to the applicable Extended Date, the Company will liquidate and dissolve in accordance with the Second MAA, as amended.

Redemption of Class A Ordinary Shares

In connection with the Second Extraordinary General Meeting held on May 9, 2023, the holders of 3,887,893 Class A ordinary shares elected to redeem their shares for cash at a redemption price of approximately \$10.33 per share, for an aggregate redemption amount of approximately \$40.2 million, leaving approximately \$60.2 million in the Trust Account.

Capital Financing for Extension Funds and Working Capital

On April 13, 2023, the Company received \$190,000 from DiaCarta and fully transferred these funds to Trust Account on April 13, 2023 to extend the Terminate Date.

On April 17, 2023, the Company received \$70,000 from Sponsor for the working capital purpose.

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

References to the "Company," "HH&L Acquisition Co.," "HH&L Acquisition," "our," "us" or "we" refer to HH&L Acquisition Co. The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the unaudited condensed consolidated financial statements and the notes thereto contained elsewhere in this report. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties.

Cautionary 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 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. Factors that might cause or contribute to such a discrepancy include, but are not limited to, those described in our other SEC filings.

Overview

We are a blank check company incorporated as a Cayman Islands exempted company on September 4, 2020. We were formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar Business Combination with one or more businesses (the "Business Combination"). We are an emerging growth company and, as such, we are subject to all of the risks associated with emerging growth companies.

Our sponsor is HH&L Investment Co., a Cayman exempted company (the "Sponsor"). The registration statement for our initial public offering ("IPO") was declared effective on February 4, 2021. On February 9, 2021, we consummated our IPO of 41,400,000 units (the "Units" and, with respect to the Class A ordinary shares included in the Units being offered, the "Public Shares"), including 5,400,000 additional Units to cover over-allotments (the "Over-Allotment Units"), at \$10.00 per Unit, generating gross proceeds of \$414.0 million, and incurring offering costs of approximately \$23.7 million, of which approximately \$14.5 million was for deferred underwriting commissions (see Note 5 to the accompanying unaudited condensed consolidated financial statements).

Simultaneously with the closing of the IPO, we consummated the private placement ("Private Placement") of 10,280,000 warrants (each, a "Private Placement Warrant" and collectively, the "Private Placement Warrants"), at a price of \$1.00 per Private Placement Warrant with the Sponsor, generating gross proceeds of approximately \$10.3 million (see Note 4 to the accompanying unaudited condensed consolidated financial statements).

Upon the closing of the IPO and the Private Placement, a total of \$414.0 million (\$10.00 per Unit) of the net proceeds of the IPO and certain of the proceeds of the Private Placement was placed in a trust account ("Trust Account"), located in the United States with Continental Share Transfer & Trust Company acting as trustee, and will be invested only in United States "government securities" within the meaning of Section 2(a)(16) of the Investment Company Act of 1940, as amended, or 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, until the earlier of: (i) the completion of a Business Combination and (ii) the distribution of the Trust Account as described below. On February 7, 2023, in connection with the First Extraordinary General Meeting, the holders of 31,281,090 Class A ordinary shares elected to redeem their shares for cash at a redemption price of approximately \$10.18 per share, for an aggregate redemption amount of approximately \$318.6 million, leaving approximately \$103.1 million in the Trust Account. On May 9, 2023, in connection with the Second Extraordinary General Meeting, the holders of 3,887,893 Class A ordinary shares elected to redeem their shares for cash at a redemption price of approximately \$10.33 per share, for an aggregate redemption amount of approximately \$40.2 million, leaving approximately \$60.2 million in the Trust Account.

Our management has broad discretion with respect to the specific application of the net proceeds of the IPO and the sale of Private Placement Warrants, although substantially all of the net proceeds are intended to be applied generally toward consummating a Business Combination. There is no assurance that we will be able to complete a Business Combination successfully. We must complete one or more initial Business Combinations having an aggregate fair market value of at least 80% of the assets held in the Trust Account (excluding the deferred underwriting commissions and taxes payable, if any, on income earned on the Trust Account) at the time of the agreement to enter into the initial Business Combination. Additionally, pursuant to NYSE rules, any Business Combination must be approved by a majority of our independent directors until the 80% of net assets test described above is satisfied. However, we will only complete a 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”).

Pursuant to the second amended and restated memorandum and articles of association, as amended on February 7, 2023 and May 9, 2023, if we are unable to complete the initial Business Combination by February 9, 2024, assuming the board of us has taken appropriate actions in accordance with the Second Extension Amendment Proposal, we will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but no more than ten business days thereafter, redeem the public shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the trust account, including interest earned on the funds held in the trust account (less taxes payable and 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 shareholders’ rights as shareholders (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 the remaining shareholders and the board of directors, liquidate and dissolve, subject in the case of clauses (ii) and (iii) to our obligations under Cayman Islands law to provide for claims of creditors and in all cases subject to the other requirements of applicable law. The Sponsor, officers and directors have entered into a letter agreement with us, pursuant to which they have agreed to waive their rights to liquidating distributions from the trust account with respect to their founder shares if we fail to complete the initial Business Combination by February 9, 2024, assuming the board of us has taken appropriate actions in accordance with the Second Extension Amendment Proposal. However, if our Sponsor or management team acquire public shares after our initial public offering, they will be entitled to liquidating distributions from the trust account with respect to such public shares if the Company fails to complete the initial Business Combination within the prescribed time period.

Proposed Business Combination

On October 14, 2022, we entered into a Business Combination Agreement by and among us, Diamond Merger Sub Inc., a Delaware corporation and a direct wholly owned subsidiary of us, and DiaCarta, Ltd., a Cayman Islands exempted company limited by shares, as fully disclosed in a Current Report on Form 8-K as filed with the SEC by us on October 14, 2022 and in our registration statement on Form S-4/A filed with the SEC on January 23, 2023.

The obligations of the parties (or, in some cases, some of the parties) to consummate the Proposed Business Combination are subject to the satisfaction or waiver of certain customary closing conditions of the respective parties, including, among others: (i) the accuracy of representations and warranties to various standards, from no material qualifier to a material adverse effect qualifier, (ii) material compliance with pre-closing covenants, (iii) no material adverse effect both for us and DiaCarta and its subsidiaries, (iv) the delivery of customary closing certificates, (v) the waiting period of periods required by any Antitrust Authorities and any other Governmental Approvals shall have been obtained, expired or been terminated, as applicable, (vi) the absence of a legal prohibition on consummating the transactions, (vii) approval by us and DiaCarta’s shareholders, (viii) approval of the listing on the NYSE for newly issued shares, and (ix) we having at least \$5,000,001 of net tangible assets remaining after redemption.

We agreed, pursuant to the Business Combination Agreement, to seek additional investors through one or more private placements of common stock of the Domesticated SPAC. In connection with the Proposed Business Combination, our Sponsor has agreed to contribute or forfeit certain Class B Ordinary Shares owned by itself to facilitate financing after signing of the Business Combination Agreement and certain forfeiture arrangement with an agreed cap.

Additionally, on October 7, 2022, we received a letter from Goldman Sachs (Asia) L.L.C. (“Goldman Sachs”), which, among others, waived any entitlement to their respective portions of the \$14,490,000 deferred underwriting fee, and on October 13, 2022, we executed a letter agreement with Credit Suisse Securities (USA) LLC (“Credit Suisse”), whereby Credit Suisse waived their respective portions of the remaining deferred underwriting fee with respect to the Proposed Business Combination.

On January 20, 2023, our Company, Merger Sub and DiaCarta entered into the First Amendment to Business Combination Agreement (the “BCA Amendment”), pursuant to which the Business Combination Agreement was amended to provide that, among other things, DiaCarta shall prepare and submit to NYSE or Nasdaq an initial listing application, if required under NYSE or Nasdaq rules, in connection with the transactions contemplated by the Business Combination Agreement and covering the shares of Domesticated SPAC Common Stock issuable in accordance with the Business Combination Agreement and obtain approval for the listing on NYSE or Nasdaq of such shares of Domesticated SPAC Common Stock.

Extension, Redemptions and Trust Account

On February 7, 2023, we held an extraordinary general meeting (the “First Extraordinary General Meeting”). At the First Extraordinary General Meeting, the shareholders approved (1) a special resolution to amend our second amended and restated memorandum and articles of association (the “Second MAA”) to extend the date (the “Termination Date”) by which we must (i) consummate the Business Combination or (ii) cease our operations except for the purpose of winding up if it fails to complete such business combination and redeem or repurchase 100% of the Company’s Public Shares (the “Extension”) from February 9, 2023 to March 9, 2023 (the “First Extended Date”), and if we do not consummate a Business Combination by the First Extended Date, the period of time to consummate a Business Combination may be extended, without the approval of the Company’s shareholders, by resolutions of our board of directors (the “Board”) at least three days prior to First Extended Date, and to April 9, 2023 (the “Second Extended Date”); and may be further extended, by resolutions of the Board passed at least three days prior to the Second Extended Date, to May 9, 2023 (the “Third Extended Date”, and each of the First Extended Date, the Second Extended Date and the Third Extended Date, an “Extended Date”), for two additional one-month periods, for an aggregate of two months (each, an “Additional Extension Period”) (the “First Extension Amendment Proposal”) and (2) the proposal to approve amendment of our Investment Management Trust Agreement, dated February 5, 2021 (the “Trust Amendment”) to allow us to maintain any remaining amount in the Trust Account in an interest bearing demand deposit account at a bank (the “Trust Amendment Proposal”), and together with the First Extension Amendment Proposal, the “Extension Proposals”). In connection with the First Extraordinary General Meeting, the holders of 31,281,090 Class A ordinary shares elected to redeem their shares for cash at a redemption price of approximately \$10.18 per share, for an aggregate redemption amount of approximately \$318.6 million, leaving approximately \$103.1 million in the Trust Account.

On February 7, 2023, in connection with the First Extraordinary General Meeting, our Company and Continental Stock Transfer & Trust Company entered into the Amended and Restated Investment Management Trust Agreement (“Amended and Restated Trust Agreement”) to (i) reflect the Extension (as defined below) and (ii) allow the Company to maintain any remaining amount in its Trust Account established in connection with its IPO (the “Trust Account”) in an interest bearing demand deposit account at a bank (the “Trust Amendment”). A copy of the Amended and Restated Trust Agreement was filed on February 9, 2023 with the SEC on a Current Report on Form 8-K.

In connection with the First Extension Amendment Proposal, we agreed that for the period from February 9, 2023 until the First Extended Date, we shall deposit into the Trust Account \$380,000 for the benefit of Public Shareholders who did not redeem as of February 9, 2023 (the “First Contribution”), (B) if we do not consummate a Business Combination by the First Extended Date and the Board elects to extend the period to consummate a Business Combination from the First Extended Date to the Second Extended Date, for the period from the First Extended Date to the Second Extended Date, we shall deposit into the Trust Account another \$380,000 for the benefit of Public Shareholders who did not redeem as of the First Extended Date (the “Second Contribution”), and (C) if we do not consummate a Business Combination by the Second Extended Date and the Board elects to extend the period to consummate a business combination from the Second Extended Date to the Third Extended Date, for the period from the Second Extended Date to the Third Extended Date, we shall deposit into the Trust Account the lesser another \$380,000 for each Public Shareholders that did not redeem as of the Second Extended Date (the “Third Contribution”, and together with the First Contribution, the Second Contribution, the First-Phase Contribution (as defined below) and the Second-Phase Contribution (as defined below), the “Contributions”, each, a “Contribution”).

Each Contribution under the First Extension Amendment Proposal was deposited in the Trust Account on February 16, 2023, March 16, 2023 and April 18, 2023, respectively. Our Sponsor and DiaCarta each loaned our Company 50% of each Contribution in advance of its deposit into the Trust Account. The loans to our Company for the Contributions do not bear interest and will be repayable by us to our Sponsor and DiaCarta upon consummation of an initial Business Combination. The loans will be forgiven if we are unable to consummate an initial Business Combination except to the extent of any funds held outside of the Trust Account.

On May 9, 2023, we held the Second Extraordinary General Meeting. At the Second Extraordinary General Meeting, the shareholders approved (1) a special resolution to amend our Amended Second MAA to extend the Termination Date by which we must (i) consummate the Business Combination or (ii) cease its operations except for the purpose of winding up if it fails to complete such business combination and redeem or repurchase 100% of the Company’s then issued and outstanding public shares for three months,

from May 9, 2023 to August 9, 2023, and, if we do not consummate a business combination by August 9, 2023, the Termination Date may be further extended, without the need for any further approval of the Company's shareholders, by resolutions of the Board of the Company at least three days prior to the applicable Extended Date, up to six times, each by an additional month, for an aggregate of six additional months, until February 9, 2024.

In connection with the Second Extension Amendment Proposal, the Company agreed that, (A) for the First-Phase Extension Period, we shall deposit into the Trust Account the lesser of US\$487,500 and US\$0.0975 for each public share that is not redeemed as of May 9, 2023 (the "First-Phase Contribution"), (B) if we do not consummate a business combination by the First-Phase Extended Date and the Board elects to further extend the period to consummate a business combination, for each Second-Phase Extension Period, we shall deposit into the Trust Account the lesser of US\$162,500 and US\$0.0325 for each public share that is not redeemed as of May 9, 2023.

The First-Phase Contribution will be deposited in the Trust Account in three equal installments of US\$162,500, on May 16, 2023, June 16, 2023 and July 16, 2023, respectively. Each Second-Phase Contribution, if applicable, will be deposited into the Trust Account on (x) with respect to the first Second-Phase Extension Period, August 16, 2023, and (y) with respect to each subsequent Second-Phase Extension Period, the 16th day of the calendar month in which the immediate previous Second-Phase Extended Date falls.

Each Contribution, under the Second Extension Amendment Proposal, will be deposited in full in advance into the Trust Account, funded by the proceeds from one or more loans to the Company from the Sponsor and/or DiaCarta. The loans to the Company for the Contributions will not bear interest and will be repayable by the Company to the Sponsor and/or DiaCarta, as the case may be, upon consummation of an initial business combination. The loans from the Sponsor and/or DiaCarta, as the case may be, will be forgiven if the Company is unable to consummate an initial business combination except to the extent of any fund held outside of the Trust Account. If the Company terminates an Extension Period at any time up to the applicable Extended Date, the Company will liquidate and dissolve in accordance with the Second MAA, as amended.

In connection with the Second Extraordinary General Meeting, the holders of 3,887,893 Class A ordinary shares elected to redeem their shares for cash at a redemption price of approximately \$10.33 per share, for an aggregate redemption amount of approximately \$40.2 million, leaving approximately \$60.2 million in the Trust Account.

The loans to our Company for the Contributions will not bear interest and will be repayable by us to our Sponsor and DiaCarta upon consummation of an initial Business Combination. The loans will be forgiven if we are unable to consummate an initial Business Combination except to the extent of any funds held outside of the Trust Account. If the Company terminates an Additional Extension Period at any time up to the applicable Extended Date, we will liquidate and dissolve in accordance with the Third MAA, *provided* that we shall have deposited the applicable Contribution for such Additional Extension Period.

Each of our Company and DiaCarta is responsible for one half of the costs and expenses in connection with the Extension, including the entire cost of soliciting proxies.

Liquidity and Going Concern

As of March 31, 2023, we had approximately \$136,000 in our operating bank account, and a working capital deficit of approximately \$5.8 million, exclusive of working capital loan – related party of \$500,000 and convertible promissory note- related party of \$600,000, respectively.

Our liquidity needs until the IPO were satisfied through a contribution of \$25,000 from our Sponsor to cover for certain expenses on behalf of us in exchange for the issuance of the Founder Shares and a loan of approximately \$185,000 from our Sponsor pursuant to the Note (as defined in Note 4 in our unaudited condensed consolidated financial statements. We repaid the Note in full in February 2021, at which time the Note was terminated. Subsequent to the consummation of the IPO our liquidity needs have been satisfied through the net proceeds from the consummation of the Private Placement not held in the Trust Account, Working Capital Loans (as defined in Note 4 to the accompanying unaudited condensed consolidated financial statements), convertible promissory note issued to Sponsor (as defined in Note 4 and Note 10 to the accompanying unaudited condensed consolidated financial statements) and loans from DiaCarta. As of March 31, 2023 and December 31, 2022, there were \$500,000 and \$500,000 outstanding under the Working Capital Loans, \$600,000 and \$0 outstanding under the convertible note issued to Sponsor, \$380,000 and \$0 outstanding under the loan from DiaCarta, respectively..

In connection with our assessment of going concern considerations in accordance with FASB ASC 205-40, "Basis of Presentation - Going Concern," our management has determined that the working capital deficit and mandatory liquidation and subsequent dissolution

raise substantial doubt about our ability to continue as a going concern. As such, our management plans to consummate a Business Combination prior to the mandatory liquidation date. No adjustments have been made to the carrying amounts of assets or liabilities should we be required to liquidate after February 9, 2024, assuming the board of the Company has taken appropriate actions in accordance with the Second Extension Amendment Proposal, or such later time as the Company's shareholders may approve in accordance with our charter. Our management plans to complete a Business Combination prior to the mandatory liquidation date and expects to receive financing from our Sponsor or an affiliate of our Sponsor certain of our officers and directors to meet our obligations through the earlier of the consummation of our Business Combination or the time of liquidation. The unaudited condensed consolidated financial statements do not include any adjustment that might be necessary if we are unable to continue as a going concern.

Risks and Uncertainties

Management continues to evaluate the impact of the COVID-19 pandemic on the industry and has concluded that while it is reasonably possible that the virus could have a negative effect on our financial position, results of our operations and/or search for a target company, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In February 2022, the Russian Federation and Belarus commenced a military action with the country of Ukraine. As a result of this action, various nations, including the United States, have instituted economic sanctions against the Russian Federation and Belarus. The impact of this action and related sanctions on the world economy are not determinable as of the date of this Report and the specific impact on our financial condition, results of operations, and cash flows is also not determinable as of the date of these unaudited condensed consolidated financial statements.

Results of Operations

Our entire activity from inception to March 31, 2023 was in preparation for our formation and the IPO, and since the IPO, a search for a target company for a Business Combination. We will not be generating any operating revenues until the closing and completion of our initial Business Combination. We generate non-operating income from our investments held in the Trust Account funded by the proceeds of the IPO.

For the three months ended March 31, 2023, we had a net income of approximately \$0.9 million, which consisted of approximately \$2.2 million in income from investments held in Trust Account, offset by approximately \$1.0 million of general and administrative expenses approximately \$0.3 million of non-operating income resulting from the change in fair value of derivative warrant liabilities and \$45,000 of general and administrative expenses - related party.

For the three months ended March 31, 2022, we had a net income of approximately \$9.2 million, which consisted of approximately \$9.6 million of non-operating gain resulting from the change in fair value of derivative warrant liabilities and approximately \$34,000 of income from investments held in Trust Account, offset by approximately \$370,000 of general and administrative expenses and \$45,000 of general and administrative expenses - related party.

Contractual Obligations

Administrative Support Agreement

We agreed to pay the Sponsor a total of \$15,000 per month, commencing on the effective date of the IPO, for office space, utilities, secretarial and administrative support services provided to members of the management team. Upon completion of the initial Business Combination or our liquidation, we will cease paying these monthly fees. For the three months ended March 31, 2023 and 2022, we incurred \$45,000 of expenses in connection with such services in each period, which were recognized in the accompanying unaudited condensed statements of operations as administrative expenses - related party. As of March 31, 2023 and December 31, 2022, the unpaid balance in connection with such services was \$390,000 and \$345,000, respectively, included as accounts payable - related party on the accompanying condensed balance sheets.

Registration Rights

The holders of Founder Shares, Private Placement Warrants, and warrants that may be issued upon conversion of Working Capital Loans, if any, are entitled to registration rights pursuant to a registration rights agreement. These holders will be entitled to certain demand and "piggyback" registration rights. However, the registration rights agreement provides that we will not permit any registration

statement filed under the Securities Act to become effective until the termination of the applicable lock-up period for the securities to be registered. We will bear the expenses incurred in connection with the filing of any such registration statements.

Underwriting Agreement

We granted the underwriters a 45-day option from the final prospectus relating to the IPO to purchase up to 5,400,000 additional Units to cover over-allotments, if any, at the IPO price less the underwriting discounts and commissions. On February 9, 2021, the underwriters fully exercised their over-allotment option.

The underwriters were entitled to an underwriting discount of \$0.20 per unit, or approximately \$8.9 million in the aggregate, paid upon the closing of the IPO. In addition, \$0.35 per unit, or approximately \$14.5 million in the aggregate will be payable to the underwriters for deferred underwriting commissions. The deferred fee will become payable to the underwriters from the amounts held in the Trust Account solely in the event that we complete a Business Combination, subject to the terms of the underwriting agreement.

On October 7, 2022, Goldman Sachs, one of the participating underwriters in our Initial Public Offering, waived its entitlement to its respective portion of the total deferred underwriting fee, resulting in an adjustment to Class A ordinary shares subject to possible redemption of approximately \$8.4 million and a gain from extinguishment of the deferred underwriting commissions allocated to derivative warrant liabilities of approximately \$296,000 as presented on the consolidated statements of operations included in Item 8 in the Annual Report on Form 10-K.

On October 13, 2022, we entered into an agreement with Credit Suisse Securities (USA) LLC (“Credit Suisse”), as representative of several underwriters named therein, in which Credit Suisse, as the representative of the remaining underwriters, agreed to waive their respective portions of the remaining deferred underwriting fee with respect to the Proposed Business Combination.

Critical Accounting Policies

This management’s discussion and analysis of our financial condition and results of operations is based on our unaudited condensed consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these unaudited condensed consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities in our unaudited condensed consolidated financial statements. On an ongoing basis, we evaluate our estimates and judgments, including those related to fair value of financial instruments and accrued expenses. We base our estimates on historical experience, known trends and events and various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. We have identified the following as our critical accounting policies and estimates:

Derivatives

We do not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. We evaluate all of our financial instruments, including issued stock purchase warrants and debt with convertible features, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives, pursuant to ASC 480 and FASB ASC Topic 815, “Derivatives and Hedging” (“ASC 815”). The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period.

The Public Warrants and Private Placement Warrants are recognized as derivative warrant liabilities in accordance with ASC 815. Accordingly, we recognize the warrant instruments as liabilities at fair value and adjusts the instruments to fair value at each reporting period until they are exercised. The fair value of warrants issued by the Company in connection with the Public Offering and Private Placement have initially been estimated using Monte-Carlo simulations at each measurement date. The Private Placement warrants continue to be estimated using Monte Carlo simulations. As of March 31, 2023 and December 31, 2022, the fair value of the Public Warrants was estimated at their listed public trading price. Derivative warrant liabilities 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.

Class A Ordinary Shares Subject to Possible Redemption

We account for our Class A ordinary share subject to possible redemption in accordance with the guidance in ASC Topic 480 “Distinguishing Liabilities from Equity.” Class A ordinary share subject to mandatory redemption (if any) is classified as liability

instruments and are measured at fair value. Conditionally redeemable Class A ordinary share (including Class A ordinary share 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 our control) are classified as temporary equity. At all other times, Class A ordinary share is classified as shareholders' equity. Our Class A ordinary share feature certain redemption rights that are considered to be outside of our control and subject to the occurrence of uncertain future events. On February 7, 2023, in connection with the First Extraordinary General Meeting, the holders of 31,281,090 Class A ordinary shares elected to redeem their shares for cash at a redemption price of approximately \$10.18 per share, for an aggregate redemption amount of approximately \$318.6 million, leaving approximately \$103.1 million in the Trust Account. Accordingly, as of March 31, 2023 and December 31, 2022, 10,118,910 and 41,400,000 shares of Class A ordinary share subject to possible redemption are presented at redemption value as temporary equity, outside of the shareholders' equity section of our balance sheets.

Under ASC 480-10-S99, the Company has elected to recognize changes in the redemption value immediately as they occur and adjust the carrying value of the security to equal the redemption value at the end of each reporting period. This method would view the end of the reporting period as if it were also the redemption date for the security.

Effective with the closing of the IPO, we recognized the accretion from initial book value to redemption amount, which resulted in charges against additional paid-in capital (to the extent available) and accumulated deficit.

Net Income per Ordinary Share

We comply with accounting and disclosure requirements of FASB ASC Topic 260, "Earnings Per Share." We have two classes of shares, which are referred to as Class A ordinary share and Class B ordinary share. Income and losses are shared pro rata between the two classes of shares. This presentation assumes a business combination as the most likely outcome. Net income per share is calculated by dividing the net income by the weighted average shares of ordinary share outstanding for the respective period.

The calculation of diluted net income per ordinary share does not consider the effect of the warrants issued in connection with the IPO and the Private Placement to purchase an aggregate of 30,980,000 shares of ordinary share in the calculation of diluted income per share, because their exercise is contingent upon future events. Accretion associated with the redeemable Class A ordinary share is excluded from earnings per share as the redemption value approximates fair value.

Recent Accounting Pronouncements

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

Off-Balance Sheet Arrangements

As of March 31, 2023, we did not have any off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K.

JOBS Act

The Jumpstart Our Business Startups Act of 2012 (the "JOBS Act") contains provisions that, among other things, relax certain reporting requirements for qualifying public companies. We qualify as an "emerging growth company" and under the JOBS Act are allowed to comply with new or revised accounting pronouncements based on the effective date for private (not publicly traded) companies. We are electing to delay the adoption of new or revised accounting standards, and as a result, we may not comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. As a result, the financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

Additionally, we are in the process of evaluating the benefits of relying on the other reduced reporting requirements provided by the JOBS Act. Subject to certain conditions set forth in the JOBS Act, if, as an “emerging growth company,” we choose to rely on such exemptions we may not be required to, among other things, (i) provide an auditor’s attestation report on our system of internal controls over financial reporting pursuant to Section 404, (ii) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd-Frank Wall Street Reform and Consumer Protection Act, (iii) comply with any requirement that may be adopted by the PCAOB regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements (auditor discussion and analysis) and (iv) disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the CEO’s compensation to median employee compensation. These exemptions will apply for a period of five years following the completion of our IPO or until we are no longer an “emerging growth company,” whichever is earlier.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this item. As of March 31, 2023, we were not subject to any market or interest rate risk, other than related to the derivative warrant liabilities. The net proceeds of the IPO, including amounts in the Trust Account, will be invested in U.S. government securities with a maturity of 185 days or less or in money market funds that meet certain conditions under Rule 2a-7 under the Investment Company Act of 1940, as amended, that invest only in direct U.S. government treasury obligations. Due to the short-term nature of these investments, we believe there will be no associated material exposure to interest rate risk.

We have not engaged in any hedging activities since our inception, and we do not expect to engage in any hedging activities with respect to the market risk to which we are exposed.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the fiscal quarter ended March 31, 2023, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on this evaluation, our chief executive officer and chief financial officer has concluded that during the period covered by this report, our disclosure controls and procedures were effective as of March 31, 2023.

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 chief executive officer and chief financial officer or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the fiscal quarter ended March 31, 2023, covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

Our material risk factors are disclosed in “Risk Factors” in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2022, as filed with the SEC on March 31, 2023. Other than as set forth below, there have been no material changes from the risk factors previously disclosed in such filing.

The risk factor disclosed in our Annual Report on Form 10-K for the year ended December 31, 2022 set forth under the heading “Our search for a Business Combination, and any target business with which we ultimately consummate a Business Combination, may be materially adversely affected by the recent COVID-19 outbreak and the status of debt and equity markets, as well as protectionist legislation in our target markets.” is replaced in its entirety with the following risk factor in this Quarterly Report:

Our search for a business combination, and any target business with which we ultimately consummate our initial business combination, may be materially adversely affected by any future pandemic and the status of debt and equity markets.

In December 2019, a novel strain of coronavirus (COVID-19) was reported to have surfaced, which has and is continuing to spread throughout parts of the world. On March 11, 2020, the World Health Organization characterized the outbreak as a “pandemic.” COVID-19 has adversely affected, and other events (such as terrorist attacks, natural disasters or a significant outbreak of other infectious diseases) could adversely affect, economies and financial markets worldwide, business operations and the conduct of commerce generally, and the business of any potential target business with which we consummate a business combination could be, or may already have been, materially and adversely affected. Although lockdowns, shelter-in-place restrictions, and vaccine mandates, prevalent during the initial stages of COVID-19, have generally been lifted worldwide, there is no guarantee that COVID-19 will not spread again or there will be no other pandemic in the future. Disruptions posed by any future pandemic or other events (such as terrorist attacks or natural disasters), including as a result of protectionist sentiments or legislation in our target markets, may materially adversely affect our ability to consummate a business combination, or the operations of a target business with which we ultimately consummate a business combination.

In addition, our ability to consummate a transaction may be dependent on the ability to raise equity and debt financing which may be impacted by a number of factors, such as a pandemic, military conflict, terrorism, sanctions and other events, including, as a result of increased market volatility, decreased market liquidity and availability of acceptable third-party financing. Political developments impacting government spending, including inflation or raising interest rates, may also negatively impact markets and cause weaker macro-economic conditions. The effect of any or all of these events could adversely impact our ability to find a suitable business combination, as it may harm a potential target company’s operations and weaken its financial results.

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

None.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Description
31.1	Certification of Chief Executive Officer (Principal Executive Officer) Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer (Chief Financial Officer) Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Chief Executive Officer (Principal Executive Officer) Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Chief Financial Officer (Chief Financial Officer) Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* These certifications are furnished to the SEC pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

SIGNATURE

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

Dated: May 15, 2023

HH&L ACQUISITION CO.

By: /s/ Richard Qi Li

Name: Richard Qi Li

Title: Chief Executive Officer (Principal Executive Officer)

**CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Richard Qi Li, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, of HH&L Acquisition Co.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2023

By: /s/ Richard Qi Li
Richard Qi Li
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Yingjie (Christina) Zhong, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, of HH&L Acquisition Co.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2023

By: /s/ Yingjie (Christina) Zhong
Yingjie (Christina) Zhong
Chief Financial Officer
(Principal Financial and 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 HH&L Acquisition Co. (the "Company") on Form 10-Q for the quarter ended March 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard Qi Li, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

Date: May 15, 2023

/s/ Richard Qi Li

Name: Richard Qi Li

Title: 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 HH&L Acquisition Co. (the "Company") on Form 10-Q for the quarter ended March 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Yingjie (Christina) Zhong, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

Date: May 15, 2023

/s/ Yingjie (Christina) Zhong

Name: Yingjie (Christina) Zhong

Title: Chief Financial Officer

(Principal Financial and Accounting Officer)
