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

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**FORM 8-K**

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

Date of Report (Date of earliest event reported): **October 18, 2021**

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**BLACK MOUNTAIN ACQUISITION CORP.**

(Exact Name of Registrant as Specified in its Charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-40907**  
(Commission  
File Number)

**86-2013849**  
(I.R.S. Employer  
Identification No.)

**425 Houston Street, Suite 4500  
Fort Worth, TX 76102**  
(Address of principal executive offices, including zip code)

**(817) 698-9901**  
(Registrant's telephone number, including area code)

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

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Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class registered	Trading Symbol(s)	Name of each exchange on which registered
<b>Units, each consisting of one share of Class A common stock, \$0.0001 par value, and three quarters of one warrant</b>	<b>BMAC.U</b>	<b>The New York Stock Exchange</b>
<b>Class A common stock, par value \$0.0001 per share</b>	<b>BMAC</b>	<b>The New York Stock Exchange</b>
<b>Warrants, exercisable for one share of Class A common stock at an exercise price of \$11.50 per share</b>	<b>BMAC WS</b>	<b>The New York Stock Exchange</b>

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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.

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**Item 8.01 Other Events.**

On October 18, 2021, Black Mountain Acquisition Corp. (the “Company”) completed its initial public offering (the “IPO”) of 24,000,000 units (the “Units”). Each Unit had an offering price of \$10.00 and consists of one share of Class A common stock of the Company, par value \$0.0001 per share (the “Class A Common Stock”), and three quarters of one redeemable warrant of the Company (each such whole warrant, a “Public Warrant”). Each Public Warrant entitles the holder thereof to purchase one share of Class A Common Stock at a price of \$11.50 per share. The Units were sold at an offering price of \$10.00 per Unit, generating gross proceeds of \$240,000,000.

On October 18, 2021, simultaneously with the closing of the IPO, the Company completed the private sale (the “Private Placement”) of an aggregate of 11,600,000 warrants (the “Private Placement Warrants”) at a purchase price of \$1.00 per Private Placement Warrant to Black Mountain Sponsor LLC (the “Sponsor”) generating total proceeds of \$11,600,000. Each Private Placement Warrant is exercisable to purchase for \$11.50 one share of Class A Common Stock.

Of the net proceeds of the IPO and the sale of the Private Placement Warrants, \$244,800,000, or \$10.20 per unit, including \$8,400,000 of deferred underwriting discounts and commissions, has been deposited into a U.S. based trust account with Continental Stock Transfer & Trust Company acting as trustee. An audited balance sheet as of October 18, 2021 of the Company reflecting receipt of the net proceeds upon the closing of the IPO and the Private Placement has been issued by the Company and is included as Exhibit 99.1 to this Current Report on Form 8-K.

Following the consummation of the IPO, the underwriters exercised their over-allotment option to purchase an additional 3,600,000 Units. In connection with the exercise of the full over-allotment option, the Sponsor purchased an additional 1,440,000 Private Placement Warrants. The closing of the sale of the additional Units and Private Placement Warrants pursuant to the underwriters’ exercise of their over-allotment option occurred on October 22, 2021.

**Item 9.01 Financial Statement and Exhibits.**

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description of Exhibits</u>
99.1	<a href="#"><u>Audited Balance Sheet, as of October 18, 2021.</u></a>

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**SIGNATURES**

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

Date: October 22, 2021

BLACK MOUNTAIN ACQUISITION CORP.

By: /s/ Jacob Smith  
Name: Jacob Smith  
Title: Chief Financial Officer, Chief Accounting Officer  
and Secretary

**BLACK MOUNTAIN ACQUISITION CORP.  
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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Shareholders and Board of Directors of  
Black Mountain Acquisition Corp.

**Opinion on the Financial Statement**

We have audited the accompanying balance sheet of Black Mountain Acquisition Corp. (the “Company”) as of October 18, 2021, and the related notes (collectively referred to as the “financial statement”). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company as of October 18, 2021, in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

This financial statement is the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

/s/ Marcum LLP

We have served as the Company’s auditor since 2021.

Houston Texas, TX  
October 22, 2021

**BLACK MOUNTAIN ACQUISITION CORP.**

**BALANCE SHEET**

**OCTOBER 18, 2021**

<b>Assets:</b>	
<b>Current assets:</b>	
Cash	\$ 1,960,476
Prepaid expenses	248,932
<b>Total current assets</b>	<u>2,209,408</u>
Prepaid expenses, non—current	219,452
Cash held in Trust Account	244,800,000
<b>Total assets</b>	<u>\$ 247,228,860</u>
<b>Liabilities and Stockholders' Deficit</b>	
<b>Current liabilities:</b>	
Accrued offering costs and expenses	\$ 809,093
Promissory note—related party	195,000
<b>Total current liabilities</b>	<u>1,004,093</u>
Deferred underwriting commissions	8,400,000
<b>Total liabilities</b>	<u>9,404,093</u>
<b>Commitments and Contingencies (Note 6)</b>	
Class A common stock subject to possible redemption, 24,000,000 shares at redemption value of \$10.20 per share	244,800,000
<b>Stockholders' Deficit:</b>	
Preferred stock, \$0.0001 par value; 5,000,000 shares authorized; none issued and outstanding	—
Class A common stock, \$0.0001 par value; 500,000,000 shares authorized; none issued and outstanding, (excluding 24,000,000 shares subject to possible redemption)	—
Class B common stock, \$0.0001 par value; 50,000,000 shares authorized; 6,900,000 <sup>(1)(2)</sup> shares issued and outstanding	690
Stock subscription receivable	(360)
Additional paid-in capital	—
Accumulated deficit	(6,975,563)
<b>Total stockholders' deficit</b>	<u>(6,975,233)</u>
<b>Total liabilities and stockholders' deficit</b>	<u>\$ 247,228,860</u>

- (1) This number includes up to 900,000 shares of Class B common stock subject to forfeiture if the over-allotment option is not exercised in full or in part by the underwriters (see Note 5).
- (2) In October 2021, the Company effected a dividend of 1,150,000 shares of Class B common stock, which resulted in an aggregate of 6,900,000 shares of Class B common stock outstanding. All share and associated amounts have been retroactively restated to reflect the share dividend (see Note 5).

The accompanying notes are an integral part of this financial statement.

## BLACK MOUNTAIN ACQUISITION CORP.

### NOTES TO FINANCIAL STATEMENTS

#### Note 1—Organization and Business Operations

##### *Organization and General*

Black Mountain Acquisition Corp. (the “Company”) was incorporated in Delaware on February 10, 2021. The Company was formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses (the “Initial Business Combination”). The Company is an “emerging growth company,” as defined in Section 2(a) of the Securities Act of 1933, as amended (the “Securities Act”), as modified by the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”).

As of October 18, 2021, the Company had not commenced any operations. All activity for the period from February 10, 2021 (date of inception) to October 18, 2021 relates to the Company’s formation and the Initial Public Offering (“IPO”) described below. The Company will not generate any operating revenues until after completion of its Initial Business Combination, at the earliest. The Company will generate non-operating income in the form of interest income on cash and cash equivalents from the net proceeds derived from the IPO. The Company has selected December 31st as its fiscal year end.

##### *Sponsor and Proposed Financing*

The Company’s sponsor is Black Mountain Sponsor LLC, a Delaware limited liability company (the “Sponsor”). The registration statement for the Company’s IPO was declared effective on October 13, 2021 (the “Effective Date”). On October 18, 2021, Company consummated its IPO of 24,000,000 units (the “Units”). Each Unit consists of one Class A common stock of the Company, par value \$0.0001 per share (the “Class A common stock”), and three quarters of one redeemable warrant of the Company (“Warrant”), each whole Warrant entitling the holder thereof to purchase one Class A common stock for \$11.50 per share. The Units were sold at a price of \$10.00 per unit, generating gross proceeds to the Company of \$240,000,000, which is discussed in Note 3.

Simultaneously with the closing of IPO the Company completed the private sale of 11,600,000 warrants (the “Private Placement Warrants”) at a purchase price of \$1.00 per Private Placement Warrant to the Sponsor, generating gross proceeds to the Company of \$11,600,000.

In connection with the IPO, the Company also granted the underwriters a 45-day option to purchase up to an additional 3,600,000 Units to cover over-allotments, if any.

Transaction costs amounted to \$13,794,999 consisting of \$4,800,000 of underwriting commissions, \$8,400,000 of deferred underwriting commissions, and \$594,999 of other offering costs, and was all charged to stockholders’ deficit.

##### *Trust Account*

Upon the closing of the IPO and the private placement, \$244,800,000 has been placed in a trust account (the “Trust Account”), representing the redemption value of the Class A common stock sold in the IPO, at their redemption value of \$10.20 per share.

The proceeds held in the Trust Account will be invested only in U.S. government securities with a maturity of one hundred eighty-five (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, and that invest only in direct U.S. government treasury obligations, as determined by the Company. Funds will remain in the Trust Account until the earlier of (i) the consummation of the Initial Business Combination or (ii) the distribution of the Trust Account proceeds as described below. The remaining proceeds outside the Trust Account may be used to pay for business, legal and accounting due diligence on prospective acquisitions and continuing general and administrative expenses.

The Company’s certificate of incorporation provides that, other than the withdrawal of interest to pay taxes (less up to \$100,000 to pay dissolution expenses), none of the funds held in the Trust Account will be released until the earliest of: (i) the completion of the Initial Business Combination; (ii) the redemption of any shares of Class A common stock included in the Units (the “Public Shares”) sold in the IPO that have been properly tendered in connection with a stockholder vote to amend the Company’s certificate of incorporation to affect the substance or timing of its obligation to redeem 100% of such Public Shares if it has not consummated an Initial Business Combination within 18 months from the closing of the Proposed Public Offering; or (iii) the redemption of 100% of the Public Shares if the Company is unable to complete an Initial Business Combination within 18 months from the closing of the IPO. The proceeds deposited in the Trust Account could become subject to the claims of the Company’s creditors, if any, which could have priority over the claims of the Company’s holders (the “Public Stockholders”) of the Public Shares.

Our sponsor, officers and directors have agreed that they will not be entitled to (i) redemption rights with respect to any founder shares and any public shares held by them in connection with the completion of the initial business combination, (ii) redemption rights with respect to their founder shares and public shares in connection with a stockholder vote to approve an amendment to the Company's amended and restated certificate of incorporation to (A) modify the substance or timing of the Company's obligation to provide for redemption of the Company's public shares in connection with an initial business combination or to redeem 100% of the Company's public shares if the Company does not complete an initial business combination within 18 months from the closing of this offering or (B) with respect to any other material provisions relating to stockholders' rights or pre-initial business combination activity and (iii) rights to liquidating distributions from the trust account with respect to any founder shares held by them if the Company fails to complete an initial business combination within 18 months from the closing of this offering, although they will be entitled to liquidating distributions from the trust account with respect to any public shares they hold if the Company fails to complete the business combination within the prescribed time frame.

#### *Initial Business Combination*

The Company's management has broad discretion with respect to the specific application of the net proceeds of the IPO, although substantially all of the net proceeds of the IPO are intended to be generally applied toward consummating an Initial Business Combination. The Initial Business Combination must occur with one or more target businesses that together have a fair market value of at least 80% of the assets held in the Trust Account (net of amounts disbursed to management for working capital purposes and excluding the amount of any deferred underwriting discount held in trust) at the time of the agreement to enter into the Initial Business Combination. Furthermore, there is no assurance that the Company will be able to successfully effect an Initial Business Combination.

The Company, after signing a definitive agreement for an Initial Business Combination, will either (i) seek stockholder approval of the Initial Business Combination at a meeting called for such purpose in connection with which stockholders may seek to redeem their Public Shares, regardless of whether they vote for or against the Initial Business Combination, for cash equal to their pro rata share of the aggregate amount on deposit in the Trust Account as of two business days prior to the consummation of the Initial Business Combination, including interest not previously released to the Company to pay its taxes, or (ii) provide stockholders with the opportunity to sell their Public Shares to the Company by means of a tender offer (and thereby avoid the need for a stockholder vote) for an amount in cash equal to their pro rata share of the aggregate amount on deposit in the Trust Account as of two business days prior to the consummation of the Initial Business Combination, including interest not previously released to the Company to pay its taxes. The decision as to whether the Company will seek stockholder approval of the Initial Business Combination or will allow stockholders to sell their Public Shares in a tender offer will be made by the Company, solely in its discretion, and will be based on a variety of factors such as the timing of the transaction and whether the terms of the transaction would otherwise require the Company to seek stockholder approval, unless a vote is required by law or under the NYSE rules. If the Company seeks stockholder approval, it will complete its Initial Business Combination only if a majority of the outstanding shares of common stock voted are voted in favor of the Initial Business Combination. However, in no event will the Company redeem its Public Shares in an amount that would cause its common stock to no longer qualify for exemption from the Securities and Exchange Commission's (the "SEC") "penny stock" rules. In such case, the Company would not proceed with the redemption of its Public Shares and the related Initial Business Combination, and instead may search for an alternate Initial Business Combination.

If the Company holds a stockholder vote or there is a tender offer for shares in connection with an Initial Business Combination, a stockholder will have the right to redeem his, her or its Public Shares for an amount in cash equal to his, her or its pro rata share of the aggregate amount on deposit in the Trust Account as of two business days prior to the consummation of the Initial Business Combination, including interest not previously released to the Company to pay its taxes. As a result, such Public Shares are recorded at redemption amount and classified as temporary equity upon the completion of the IPO, in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 480, "Distinguishing Liabilities from Equity."

Pursuant to the Company's certificate of incorporation, if the Company is unable to complete the Initial Business Combination within 18 months from the closing of the IPO (the "Combination Period"), the Company will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but no more than ten business days thereafter subject to lawfully available funds therefor, redeem the Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account including interest earned on the funds held in the Trust Account and not previously released to the Company to pay the Company's taxes (less up to \$100,000 of such net interest to pay dissolution expenses), divided by the number of then outstanding Public Shares, which redemption will completely extinguish public stockholders' rights as stockholders (including the right to receive further liquidating distributions, if any), and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the Company's remaining stockholders and the Company's board of directors, dissolve and liquidate, and subject in the case of clauses (ii) and (iii) to the Company's obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law. Pursuant to the Company's certificate of incorporation, the Sponsor and the Company's officers and directors have agreed to waive their rights to liquidating distributions from the Trust Account with respect to any Founder Shares (as defined below) held by them if the Company fails to complete the Initial Business Combination within the Combination Period. However, if the Sponsor or any of the Company's directors, officers or affiliates acquires shares of Class A common stock in or after the IPO, they will be entitled to liquidating distributions from the Trust Account with respect to such shares if the Company fails to complete the Initial Business Combination within the prescribed time period.

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

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### *Liquidity and Capital Resources*

As of October 18, 2021, the Company had approximately \$2.0 million in its operating bank account, and working capital of approximately \$956,000.

The Company's liquidity needs up to October 18, 2021 had been satisfied through a payment from the Sponsor of \$25,000 (see Note 5) for the founder shares to cover certain offering costs and the loan under an unsecured promissory note from the Sponsor of \$195,000 (see Note 5). The promissory note was paid in full on October 20, 2021. In addition, in order to finance transaction costs in connection with a Business Combination, the Sponsor, initial shareholders, officers, directors or their affiliates may, but are not obligated to, provide the Company Working Capital Loans, as defined below (see Note 5). As of October 18, 2021, there were no amounts outstanding under any Working Capital Loans.

Based on the foregoing, management believes that the Company will have sufficient working capital and borrowing capacity to meet its needs through the earlier of the consummation of a Business Combination or one year from this filing. Over this time period, the Company will be using these funds for paying existing accounts payable, identifying and evaluating prospective initial Business Combination candidates, performing due diligence on prospective target businesses, paying for travel expenditures, selecting the target business to merge with or acquire, and structuring, negotiating and consummating the Business Combination.

### *Risks and Uncertainties*

Management is currently evaluating the impact of the COVID-19 pandemic 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 this financial statement. The financial statement does not include any adjustments that might result from the outcome of this uncertainty.

## **Note 2—Significant Accounting Policies**

### *Basis of Presentation*

The accompanying audited financial statement is presented in U.S. dollars in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") for financial information and pursuant to the rules and regulations of the SEC.

### *Emerging Growth Company*

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by 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 stockholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's financial statement with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

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#### *Use of Estimates*

The preparation of the financial statement in conformity with US GAAP requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

#### *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 cash of \$1,960,476, and no cash equivalents as of October 18, 2021.

#### *Cash Held in Trust Account*

As of October 18, 2021, the assets held in the Trust Account were held in cash. At October 18, 2021, the Company had \$244,800,000 in cash held in the Trust Account.

#### *Concentration of credit risk*

Financial instruments that potentially subject the Company to concentration of credit risk consist of a cash account in a financial institution which, at times may exceed the Federal depository insurance coverage of \$250,000. As of October 18, 2021, the Company had not experienced losses on this account and management believes the Company was not exposed to significant risks on such account.

#### *Offering Costs associated with the Initial Public Offering*

The Company complies with the requirements of the ASC 340-10-S99-1. Offering costs consisted of legal, accounting, underwriting fees and other costs incurred through the IPO that were directly related to the IPO. The Company incurred offering costs amounting to \$ as a result of the IPO consisting of \$4,800,000 of underwriting commissions, \$8,400,000 of deferred underwriting commissions, and \$594,999 of other offering costs. The Offering costs were charged to stockholders' deficit upon the completion of the IPO.

#### *Fair Value of Financial Instruments*

The fair value of the Company's assets and liabilities, which qualify as financial instruments under the FASB ASC 820, "Fair Value Measurements and Disclosures," approximates the carrying amounts represented in the balance sheet, primarily due to their short-term nature.

### *Income Taxes*

The Company follows the asset and liability method of accounting for income taxes under FASB ASC 740, "Income Taxes." Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that included the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

FASB ASC 740 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 October 18, 2021. 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 at October 18, 2021. 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. The provision for income taxes was deemed to be de minimis for the period from February 10, 2021 (inception) through October 18, 2021.

### *Common Stock Subject to Possible Redemption*

All of the 24,000,000 common stock sold as part of the Units in the IPO contain a redemption feature which allows for the redemption of such Public Shares in connection with the Company's liquidation, if there is a shareholder vote or tender offer in connection with the Business Combination and in connection with certain amendments to the Company's amended and restated certificate of incorporation. In accordance with SEC and its staff's guidance on redeemable equity instruments, which has been codified in ASC 480-10-599, redemption provisions not solely within the control of the Company require common stock subject to redemption to be classified outside of permanent equity. Therefore, all shares of Class A common stock have been classified outside of permanent equity.

The Company recognizes changes in redemption value immediately as they occur and adjusts the carrying value of redeemable common stock to equal the redemption value at the end of each reporting period. Increases or decreases in the carrying amount of redeemable common stock are affected by charges against additional paid in capital and accumulated deficit.

### *Warrant Instruments*

The Company accounts for its Public and Private warrants as equity-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in ASC 480, Distinguishing Liabilities from Equity ("ASC 480") and ASC 815, Derivatives and Hedging ("ASC 815"). The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's own common stock, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding. In that respect, the Private Warrants, as well as any warrants underlying additional units the Company issues to the Sponsor, officers, directors, initial stockholders or their affiliates in payment of Working Capital Loans made to the Company, will be identical to the warrants underlying the Units being offered in the IPO.

### *Recent Accounting Pronouncements*

In August 2020, FASB issued Accounting Standards Update ("ASU") 2020-06, Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40) ("ASU 2020-06") to simplify accounting for certain financial instruments. ASU 2020-06 eliminates the current models that require separation of beneficial conversion and cash conversion features from convertible instruments and simplifies the derivative scope exception guidance pertaining to equity classification of contracts in an entity's own equity. The new standard also introduces additional disclosures for convertible debt and freestanding instruments that are indexed to and settled in an entity's own equity. ASU 2020-06 amends the diluted earnings per share guidance, including the requirement to use the if-converted method for all convertible instruments. ASU 2020-06 is effective January 1, 2022 and should be applied on a full or modified retrospective basis. On February 10, 2021, the date of the Company's inception, the Company adopted the new standard.

The Company's management does not believe that any other recently issued, but not yet effective, accounting pronouncements, if currently adopted, would have a material effect on the Company's financial statements.

### **Note 3—Initial Public Offering**

On October 18, 2021, the Company sold 24,000,000 Units at a purchase price of \$10.00 per Unit. The Units were issued pursuant to an underwriting agreement, dated October 13, 2021, among the Company, on the one hand, and EarlyBirdCapital, Inc. and Stephens Inc., on the other hand, as representatives of the underwriters named therein. Each Unit had an offering price of \$10.00 and consists of one share of Class A common stock of the Company, par value \$0.0001 per share, and three quarters of one warrant of the Company. Each full Warrant entitles the holder thereof to purchase one share of Class A Common Stock at a price of \$11.50 per share.

Following the closing of the IPO on October 18, 2021, \$244,800,000 (\$10.20 per Unit) from the net proceeds of the sale of the Units in the IPO and the sale of the Private Placement Warrants was deposited into the Trust Account. The net proceeds deposited into the Trust Account will be invested in United States “government securities” within the meaning of Section 2(a)(16) of the Investment Company Act with a maturity of 180 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.

In connection with the IPO, the Company also granted the underwriters a 45-day option to purchase up to an additional 3,600,000 Units to cover over-allotments, if any. On October 22, 2021, the underwriters exercised the over-allotment in full to purchase 3,600,000 Public Units, at a purchase price of \$10.00 per Public Unit, generating gross proceeds to the Company of \$36,000,000 (see Note 8).

### **Note 4—Private Placement**

On October 18, 2021, simultaneously with the closing of the IPO and pursuant to a Private Placement Warrants Purchase Agreement dated October 13, 2021, by and between the Company and the Sponsor, the Company completed the private sale of 11,600,000 warrants (the “Private Placement Warrants”) at a purchase price of \$1.00 per Private Placement Warrant to the Sponsor, generating gross proceeds to the Company of \$11,600,000. Simultaneously with the exercise of the over-allotment option by the underwriters, the Company consummated the private placement with the Sponsor for an aggregate of 1,440,000 warrants to purchase Class A common stock for \$1.00 per warrant in a private placement. Each whole warrant entitles the holder thereof to purchase one Class A common stock at \$11.50 per share, subject to adjustment (the “Additional Private Placement Warrants”), generating total proceeds of \$1,440,000 (see Note 8).

The Private Placement Warrants have terms and provisions that are identical to those of the warrants being sold as part of the units in the IPO, including as to exercise price, exercisability and exercise period, except that the Private Placement Warrants (i) will not initially be registered under the Securities Act and therefore will not be eligible for offer, sale, transfer or other disposition unless and until so registered or an exemption from registration applies and (ii) will be subject to transfer restrictions pursuant to lock-up provisions in a letter agreement with us to be entered into by the Sponsor and the Company’s officers and directors. The Private Placement Warrants will be redeemable by us in all redemption scenarios and exercisable by the holders on the same basis as the warrants included in the Units being sold in the IPO. The issuance of the Private Placement Warrants was made pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act.

### **Note 5—Related Party Transactions**

#### *Founder Shares*

On February 10, 2021, 5,750,000 shares of the Company’s Class B common stock (the “Founder Shares”) were issued to the Sponsor in exchange for the payment of \$25,000 of expenses on behalf of the Company, or approximately \$0.004 per share. In October 2021, the Company effected a dividend of 1,150,000 of the Company’s Founder Shares, which resulted in an aggregate of 6,900,000 Founder Shares outstanding. All share and associated amounts have been retroactively restated to reflect the share dividend. Up to 900,000 Founder Shares are subject to forfeiture to the extent that the over-allotment option is not exercised by the underwriters. The underwriters’ over-allotment option expires 45 days from the effective date of the registration statement. The forfeiture will be adjusted to the extent that the over-allotment option is 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 IPO.

On October 22, 2021, the underwriters exercised the over-allotment option in full to purchase 3,600,000 Public Units. As a result, 900,000 founder shares are no longer subject to forfeiture.

In connection with the IPO, the Sponsor forfeited a total of 90,000 founder shares for no consideration, and 30,000 founder shares were purchased from the Company by each of the Company’s independent directors, Mel G. Riggs, Charles W. Yates and Stephen Straty, at their original purchase price (approximately \$0.004 per share) or a total of \$360. The excess of the fair value of the founder shares transferred (\$485,640) over the original issuance price (\$360) will be accounted for as director’s compensation expense upon the initial business combination. The purchased shares shall vest upon the Company consummating an initial business combination (the “Vesting Date”). If prior to the Vesting Date, the Director is removed from office or ceases to be a Director, the Director will forfeit their founder shares to the Company. The Directors have agreed, (1) the shares may not be sold or transferred, until six months after the consummation of a business combination, (2) the shares will not be entitled to redemption from the funds held in the trust account, or any liquidating distributions. The Company has 18 months from the date of the initial public offering to consummate a business combination, and if a business combination is not consummated, the Company will liquidate and the shares will become worthless.

The fair value of the founder shares at the grant dates was determined using an internal model using the issuance price of the Units in the IPO as a proxy adjusting for the value for the warrants included in the Units, for the probability the Company will consummate an initial Business Combination and for holding costs and no rights of redemption. Valuation of the 90,000 founder shares granted to the directors is estimated to be \$486,000 or \$5.40 per share. The Company will record the fair value of the transferred shares in excess of the amount paid (\$485,640) as director compensation expense upon consummation of an initial Business Combination, in accordance with the guidance in Accounting Standards Codification (“ASC”) Topic 718 “Compensation-Stock Compensation”, which requires deferral of the expense recognition until after the performance condition becomes probable of being achieved. If the performance condition is a business combination or similar liquidity event, the performance condition is not deemed to be probable until it is achieved..

The holders of the Founder Shares agreed, subject to limited exceptions, not to transfer, assign or sell any of their Founder Shares until the earlier to occur of: (i) 180 days after the completion of the Initial Business Combination or (ii) subsequent to the Initial Business Combination, the date on which the Company completes a liquidation, merger, capital stock exchange, reorganization or other similar transaction that results in all of the Company’s stockholders having the right to exchange their shares of common stock for cash, securities or other property.

#### *Related Party Loans*

On February 10, 2021, the Sponsor agreed to loan the Company an aggregate of up to \$250,000 to cover expenses related to the IPO pursuant to an unsecured promissory note (the “Note”). This Note is non-interest bearing and payable upon the earlier of (i) the date that is 180 days following the date of the Note and (ii) the closing date of the IPO. As of October 18, 2021, the Company had borrowed \$195,000, which is currently due upon demand. The aggregate amount of \$195,000 was paid in full on October 20, 2021.

In addition, in order to finance transaction costs in connection with an initial 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 on a non-interest bearing basis as may be required (“Working Capital Loans”). If the Company completes an Initial 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 an Initial Business Combination does not close, the Company may use a portion of proceeds held outside the Trust Account to repay the Working Capital Loans but no proceeds held in the Trust Account would be used to repay the Working Capital Loans. 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 an Initial Business Combination or, at the lender’s discretion, up to \$1.5 million of such Working Capital Loans may be convertible into warrants of the post Initial Business Combination entity at a price of \$1.00 per warrant. The warrants would be identical to the Private Placement Warrants. To date, the Company had no borrowings under the Working Capital Loans.

#### *Administrative Support Agreement*

Commencing on the date the Units are first listed on the New York Stock Exchange, the Company has agreed to pay an affiliate of the Sponsor a total of \$10,000 per month for office space, utilities and secretarial and administrative support.

### **Note 6—Commitments and Contingencies**

#### *Registration Rights*

The holders of the Founder Shares, Private Placement Warrants and Warrants that may be issued upon conversion of working capital loans, if any, (and any Class A common shares issuable upon the exercise of the Private Placement Warrants and Warrants that may be issued upon conversion of working capital loans) will be entitled to registration rights pursuant to a registration rights agreement signed prior to or on the effective date of the IPO. The holders of at least \$25 million in value of these securities are entitled to demand that the Company file a registration statement covering such securities and to require the Company to effect up to an aggregate of three underwritten offerings of such securities. In addition, the holders have certain “piggy-back” registration rights with respect to registration statements filed subsequent to the consummation of an Initial Business Combination. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

#### *Underwriting Agreement*

The Company granted the underwriters a 45-day option to purchase up to 3,600,000 additional Units to cover over-allotments, if any, at the IPO price less the underwriting discounts and commissions.

On October 22, 2021, the underwriters exercised the over-allotment option in full to purchase 3,600,000 Public Units, at a purchase price of \$10.00 per Public Unit generating gross proceeds to the Company of \$36,000,000 (see Note 3).

On October 18, 2021, the Company paid a cash underwriting commissions of \$0.20 per unit, or \$4,800,000 and on October 22, 2021, paid an additional \$720,000 or \$0.20 per unit for an aggregate of \$5,520,000.

The representatives of the underwriters are entitled to deferred underwriting commissions of \$0.35 per unit, or \$9,660,000 in the aggregate (including the commission related to the underwriters' exercise of the over-allotment option). The deferred fee will become payable to the representatives of underwriters from the amounts held in the Trust Account solely in the event that the Company completes an Initial Business Combination, subject to the terms of the underwriting agreement for the offering.

#### **Note 7—Stockholder's Equity**

*Preferred Stock*—The Company is authorized to issue 5,000,000 shares of preferred stock, par value \$0.0001 per share, with such designations, voting and other rights and preferences as may be determined from time to time by the Company's board of directors. As of October 18, 2021, there were no shares of preferred stock issued or outstanding.

*Class A Common Stock*—The Company is authorized to issue 500,000,000 shares of Class A common stock with a par value of \$0.0001 per share. As of October 18, 2021, there were no shares of Class A common stock issued or outstanding, excluding 24,000,000 shares subject to possible redemption.

*Class B Common Stock*—The Company is authorized to issue 50,000,000 shares of Class B common stock with a par value of \$0.0001 per share. As of October 18, 2021, there were 6,900,000 shares of Class B common stock issued and outstanding, which such amount having been restated to reflect the share dividend in October 2021 as discussed in Note 5. Of the 6,900,000 shares of Class B common stock outstanding, up to 900,000 shares of Class B common stock are subject to forfeiture to the Company by the initial stockholders for no consideration to the extent that the underwriter's over-allotment option is not exercised in full or in part so that the Founder Shares will collectively represent 20% of the Company's issued and outstanding common stock after the IPO.

On October 22, 2021, the underwriters exercised the over-allotment option in full to purchase 3,600,000 Public Units. As a result, 900,000 founder shares are no longer subject to forfeiture.

Holders of the Class A common stock and holders of the Class B common stock will vote together as a single class on all matters submitted to a vote of the stockholders, except as required by law. Each share of common stock will have one vote on all such matters.

The Class B common stock will automatically convert into Class A common stock at the time of the Initial Business Combination on a one-for-one basis, subject to adjustment for redemptions, merger consideration, private placement warrants and any securities issued to affiliates, and the like and subject to further adjustment as provided herein. In the case that additional shares of Class A common stock, or equity-linked securities, are issued or deemed issued in excess of the amounts sold in the IPO and related to the closing of the Initial Business Combination, the ratio at which shares of Class B common stock shall convert into shares of Class A common stock will be adjusted (unless the holders of a majority of the outstanding shares of Class B common stock agree to waive such adjustment with respect to any such issuance or deemed issuance) so that the number of shares of our Class A common stock issuable upon conversion of all shares of Class B common stock will equal, in the aggregate, on an as-converted basis, 20% of the sum of the total number of all shares of common stock outstanding upon the completion of the IPO plus all shares of Class A common stock and equity-linked securities issued or deemed issued in connection with the Initial Business Combination (after giving effect to any redemptions of shares of Class A common stock by public stockholders and excluding any shares or equity-linked securities issued, or to be issued, to any seller in the Initial Business Combination and any private placement warrants issued to the Sponsor, officers and directors upon conversion of working capital loans).

*Warrants*—Warrants may only be exercised for a whole number of shares. No fractional warrants will be issued upon separation of the Units and only whole warrants will trade. The warrants have an exercise price of \$11.50 per share, subject to adjustments, and will expire five years after the completion of an Initial Business Combination or earlier upon redemption or liquidation. The warrants will become exercisable 30 days after the completion of an Initial Business Combination; provided that the Company has an effective registration statement under the Securities Act covering the shares of Class A common stock 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 its best efforts to file with the SEC a registration statement covering the shares of Class A common stock issuable upon exercise of the warrants and to maintain a current prospectus relating to those shares of Class A common stock until the warrants expire or are redeemed.

In addition, if (i) the Company issues additional Class A common stock or equity-linked securities for capital raising purposes in connection with the closing of the initial Business Combination at an issue price or effective issue price of less than \$9.20 per share (with such issue price or effective issue price to be determined in good faith by the board of directors and, in the case of any such issuance to the Sponsor or its affiliates, without taking into account any Founder Shares held by the Sponsor or such affiliates, as applicable, prior to such issuance) (the "Newly Issued Price"), (ii) the aggregate gross proceeds from such issuances represent more than 60% of the total equity proceeds, and interest thereon, available for the funding of our initial business combination on the date of the consummation of the Initial Business Combination (net of redemptions), and (iii) the Market Value is below \$9.20 per share, the exercise price of the warrants will be adjusted (to the nearest cent) to be equal to 115% of the greater of (A) the Market Value or (B) the Newly Issued Price, and the \$18.00 per share redemption trigger price described under "Redemption of Warrants" will be adjusted (to the nearest cent) to be equal to 180% of the Newly Issued Price.

Notwithstanding the above, if the Company's shares of Class A common stock are at the time of any exercise of a warrant not listed on a national securities exchange such that they satisfy the definition of a "covered security" under Section 18(b)(1) of the Securities Act, the Company may, at its option, require holders of 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, but the Company will be required to use its best efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available.

The Private Placement Warrants have terms and provisions that are identical to those of the warrants being sold as part of the units in the IPO, including as to exercise price, exercisability and exercise period, except that the Private Placement Warrants (i) will not initially be registered under the Securities Act and therefore will not be eligible for offer, sale, transfer or other disposition unless and until so registered or an exemption from registration applies and (ii) will be subject to transfer restrictions pursuant to lock-up provisions in a letter agreement with us to be entered into by the Sponsor and the Company's officers and directors.

#### *Redemption of Warrants*

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

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

The Company will not redeem the warrants as described above unless (i) a registration statement under the Securities Act covering the shares of Class A common stock issuable upon exercise of the warrants is effective and a current prospectus relating to those shares of Class A common stock is available throughout the 30-day redemption period or (ii) the Company has elected to require exercise of the warrants on a "cashless basis" as described below. If the foregoing conditions are satisfied and the Company issued a notice of redemption of the warrants, each warrant holder will be entitled to exercise its warrant prior to the scheduled redemption date. However, the price of the shares of Class A common stock may fall below the \$18.00 redemption trigger price (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) as well as the \$11.50 warrant exercise price (for whole shares) after the redemption notice is issued.

If the Company calls the warrants for redemption as described above, the Company's management will have the option to require all, but not less than all, warrant holders to exercise their warrants on a "cashless basis." In the event any warrants are exercised on a "cashless basis," each exercising warrant holder would pay the exercise price by surrendering the warrants for that number of shares of Class A common stock equal to the quotient obtained by dividing (i) the product of (A) the number of shares of our Class A common stock underlying the warrants and (B) the excess of the "fair market value" (defined below) over the exercise price of the warrants by (ii) such fair market value. For purposes of this section, the "fair market value" shall mean the average last reported sale price of the Class A common stock for the 10 trading days ending on the third trading day prior to the date on which the notice of warrant exercise is sent to the warrant holder or its securities broker or intermediary.

If and when the warrants become redeemable by the Company, it may exercise its redemption right even if it is unable to register or qualify the underlying securities for sale under all applicable state securities laws.

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In no event will the Company be required to net cash settle any warrant. If the Company is unable to complete an Initial 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 respect to such warrants. Accordingly, the warrants may expire without value to the holder.

**Note 8—Subsequent Events**

Management has evaluated subsequent events to determine if events or transactions occurring through the date the financial statement was issued, require potential adjustment to or disclosure in the financial statement and did not identify any other subsequent events, except as noted below, that would have required adjustment or disclosure in the financial statements.

On October 20, 2021, the promissory note of \$195,000 was paid in full by the Company.

On October 22, 2021, the underwriters fully exercised the over-allotment option to purchase an additional 3,600,000 Units for \$10.00 per unit generating gross proceeds to the Company of \$36,000,000 (see Note 3), and were, in aggregate, paid a fixed underwriting discount \$5,520,000. As a result, 900,000 founder shares are no longer subject to forfeiture. Pursuant to the underwriters' full exercise of the over-allotment option on October 22, 2021, the Sponsor purchased an additional 1,440,000 Private Placement Warrants at a purchase price of \$1.00 per warrant, generating gross proceeds to the Company of \$1,440,000 (see Note 4).