

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

FORM 10-Q

(MARK ONE)

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

For the quarter ended September 30, 2021

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

For the transition period from to

Commission file number: 001-40209

**ATHENA TECHNOLOGY ACQUISITION CORP.**  
(Exact Name of Registrant as Specified in Its Charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**85-4204953**

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

**125 Townpark Drive, Suite 300**  
**Kennesaw, GA 30144**  
(Address of principal executive offices)

**(970) 924-0446**  
(Issuer's telephone number)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Units, each consisting of one share of Class A Common Stock, \$0.0001 par value and one-third of one redeemable warrant	ATHN.U	The New York Stock Exchange
Class A Common Stock, \$0.0001 par value	ATHN	The New York Stock Exchange
Redeemable Warrants, each exercisable for one share of Class A Common Stock for \$11.50 per share	ATHN WS	The New York Stock Exchange

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

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

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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

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

As of November 12, 2021, there were 25,700,000 shares of Class A common stock, \$0.0001 par value, and 8,566,667 shares of Class B common stock, \$0.0001 par value, issued and outstanding.

**ATHENA TECHNOLOGY ACQUISITION CORP.**  
**FORM 10-Q FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

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**PART I - FINANCIAL INFORMATION**

**Item 1. Interim Financial Statements.**

**ATHENA TECHNOLOGY ACQUISITION CORP.  
CONDENSED BALANCE SHEETS**

	<b>September 30, 2021</b>	<b>December 31, 2020</b>
	<b>(unaudited)</b>	
<b>Assets:</b>		
Cash	\$ 176,725	\$ —
Prepaid expenses	283,708	—
Total current assets	460,433	—
Deferred offering costs	—	41,739
Marketable securities held in Trust Account	250,013,873	—
Other non-current assets	110,473	—
<b>Total Assets</b>	<b>\$ 250,584,779</b>	<b>\$ 41,739</b>
<b>Liabilities and Stockholders’ Equity (Deficit)</b>		
Accrued offering costs and expenses	\$ 2,502,189	\$ 5,000
Due to related party	64,516	12,500
Total current liabilities	2,566,705	17,500
Deferred underwriting fee	8,750,000	—
Warrant liability	11,650,665	—
<b>Total liabilities</b>	<b>22,967,370</b>	<b>17,500</b>
<b>Commitments and Contingencies</b>		
Class A Common Stock subject to possible redemption, 25,000,000 and no shares at redemption value, at September 30, 2021 and December 31, 2020, respectively	250,000,000	—
<b>Stockholders’ Equity (Deficit):</b>		
Preferred stock, \$0.0001 par value; 1,000,000 shares authorized; none issued and outstanding	—	—
Class A common stock, \$0.0001 par value; 300,000,000 shares authorized; 700,000 and 0 shares issued and outstanding (excluding 25,000,000 and no shares subject to possible redemption) at September 30, 2021 and December 31, 2020, respectively	70	—
Class B common stock, \$0.0001 par value; 20,000,000 shares authorized; 8,566,667 and 9,816,667 shares issued and outstanding at September 30, 2021 and December 31, 2020, respectively	857	982
Additional paid-in capital	—	24,018
Accumulated deficit	(22,383,518)	(761)
<b>Total stockholders’ equity (deficit)</b>	<b>(22,382,591)</b>	<b>24,239</b>
<b>Total Liabilities and Stockholders’ Equity (Deficit)</b>	<b>\$ 250,584,779</b>	<b>\$ 41,739</b>

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

**ATHENA TECHNOLOGY ACQUISITION CORP.  
CONDENSED STATEMENT OF OPERATIONS  
THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2021  
(UNAUDITED)**

	<b>Three months ended September 30, 2021</b>	<b>Nine months ended September 30, 2021</b>
Formation and operating costs	\$ 1,569,345	\$ 3,566,747

<b>Loss from Operations</b>	(1,569,345)	(3,566,747)
Other income (expense):		
Interest income on marketable securities held in Trust Account	3,217	13,873
Offering costs allocated to warrants	—	(566,948)
Change in fair value of warrant liability	(4,197,665)	(1,392,083)
<b>Total other expense</b>	(4,194,448)	(1,945,158)
<b>Net loss</b>	<u>\$ (5,763,793)</u>	<u>\$ (5,511,905)</u>
Weighted average shares outstanding, Class A common stock	25,700,000	18,357,143
Basic and diluted net loss per share, Class A common stock	<u>\$ (0.17)</u>	<u>\$ (0.20)</u>
Weighted average shares outstanding, Class B common stock	8,566,667	8,566,667
Basic and diluted net loss per share, Class B common stock	<u>\$ (0.17)</u>	<u>\$ (0.20)</u>

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

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**ATHENA TECHNOLOGY ACQUISITION CORP.**  
**CONDENSED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)**  
**THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021**  
**(UNAUDITED)**

	<u>Class A Common stock</u>		<u>Class B Common stock</u>		<u>Additional Paid-in Capital</u>	<u>Accumulated Deficit</u>	<u>Total Stockholders' Equity (Deficit)</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>			
<b>Balance as of January 1, 2021</b>	—	\$ —	9,816,667	\$ 982	\$ 24,018	\$ (761)	\$ 24,239
Sale of 25,000,000 Units, net of underwriting discount, offering expenses and fair value of public warrants	25,000,000	2,500	—	—	226,381,992	—	226,384,492
Sale of 700,000 Private Placement Units, net of fair value of private warrants	700,000	70	—	—	6,720,513	—	6,720,583
Net loss	—	—	—	—	—	(767,176)	(767,176)
Common stock subject to possible redemption	(25,000,000)	(2,500)	—	—	(233,126,523)	(16,870,977)	(250,000,000)
<b>Balance as of March 31, 2021 (restated)</b>	700,000	70	9,816,667	982	—	(17,638,914)	(17,637,862)
Forfeiture of Class B common stock held by initial stockholders	—	—	(1,250,000)	(125)	—	125	—
Net income	—	—	—	—	—	1,019,064	1,019,064
<b>Balance as of June 30, 2021 (restated)</b>	700,000	70	8,566,667	857	—	(16,619,725)	(16,618,798)
Net loss	—	—	—	—	—	(5,763,793)	(5,763,793)
<b>Balance as of September 30, 2021</b>	<u>700,000</u>	<u>\$ 70</u>	<u>8,566,667</u>	<u>\$ 857</u>	<u>—</u>	<u>\$ (22,383,518)</u>	<u>\$ (22,382,591)</u>

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

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**ATHENA TECHNOLOGY ACQUISITION CORP.**  
**CONDENSED STATEMENT OF CASH FLOWS**  
**NINE MONTHS ENDED SEPTEMBER 30, 2021**  
**(UNAUDITED)**

<b>Cash flows from operating activities:</b>	
Net loss	\$ (5,511,905)
Adjustments to reconcile net income to net cash used in operating activities:	
Interest on marketable securities held in Trust Account	(13,873)
Offering costs allocated to warrants	566,948
Change in fair value of warrant liability	1,392,083
Changes in operating assets and liabilities:	
Prepaid expenses	(283,708)
Other non-current assets	(110,473)
Accrued offering costs and expenses	2,502,189
Due to related party	8,391
<b>Net cash used in operating activities</b>	<u>(1,450,348)</u>
<b>Cash Flows from investing activities:</b>	
Investment of cash in Trust Account	(250,000,000)
<b>Net cash used in investing activities</b>	<u>(250,000,000)</u>

<b>Cash Flows from Financing Activities:</b>	
Proceeds from sale of Units, net of underwriting discount	245,000,000
Proceeds from sale of Private Placement Units	7,000,000
Payment of offering costs	(372,927)
<b>Net cash provided by financing activities</b>	<b>251,627,073</b>
Net change in cash	176,725
Cash, beginning of period	—
<b>Cash, end of the period</b>	<b>\$ 176,725</b>
<b>Supplemental disclosure of cash flow information:</b>	
Initial classification of common stock subject to possible redemption	\$ 250,000,000
Change in common stock subject to possible redemption	\$ 13,873
Initial classification of warrant liability	\$ 10,258,582
Deferred underwriters' discount payable charged to additional paid-in capital	\$ 8,750,000

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

**ATHENA TECHNOLOGY ACQUISITION CORP.  
NOTES TO UNAUDITED FINANCIAL STATEMENTS**

**Note 1 — Organization and Business Operations**

Athena Technology Acquisition Corp. (the “Company”) is a newly organized blank check company incorporated as a Delaware corporation on December 8, 2020. The Company was incorporated for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses (the “Business Combination”).

As of September 30, 2021, the Company had not commenced any operations. All activity through September 30, 2021 relates to the Company’s formation and the Initial Public Offering (“IPO”) which is described below, and identifying a target company for a Business Combination. The Company will not generate any operating revenues until after the completion of a Business Combination, at the earliest. The Company generates non-operating income in the form of interest income from the proceeds derived from the Initial Public Offering.

The registration statement for the Company’s IPO was declared effective by the U.S. Securities and Exchange Commission (the “SEC”) on March 16, 2021 (the “Effective Date”). On March 19, 2021, the Company consummated the IPO of 25,000,000 units ((the “Units” and, with respect to the shares of Class A common stock included in the Units sold, the “Public Shares”), at \$10.00 per Unit, generating gross proceeds of \$250,000,000, which is discussed in Note 4. Each Unit consists of one share of common stock, and one-third of one redeemable warrant to purchase one share of Class A common stock at a price of \$11.50 per whole share.

Simultaneously with the closing of the IPO, the Company consummated the sale of 700,000 Private Placement Units (the “Private Placement Warrants”), at a price of \$10.00 per Private Placement Unit, in a private placement to Athena Technology Sponsor LLC, a Delaware limited liability company (the “Sponsor”), generating gross proceeds of \$7,000,000, which is discussed in Note 5.

Transaction costs of the IPO amounted to \$14,203,291 consisting of \$5,000,000 of underwriting discount, \$8,750,000 of deferred underwriting discount, and \$453,291 of other offering costs and of which \$566,948 were allocated to expense associated with the warrant liability.

Following the closing of the IPO on March 19, 2021, \$250,000,000 (\$10.00 per Unit) from the net offering proceeds of the sale of the Units in the IPO and the sale of the Private Placement Units was placed in a trust account (the “Trust Account”) and invested in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act, having a maturity of 185 days or less or in money market funds meeting certain conditions under Rule 2a-7 promulgated under the Investment Company Act which invest only in direct U.S. government treasury obligations. Except with respect to interest earned on the funds held in the Trust Account that may be released to the Company to pay taxes, if any, the proceeds from the IPO and the sale of the Private Placement Units will not be released from the Trust Account until the earliest of (i) the completion of initial Business Combination, (ii) the redemption of the Company’s public shares if the Company is unable to complete an initial Business Combination prior to March 19, 2023 (the “Combination Period”), subject to applicable law, or (iii) the redemption of the Company’s public shares properly submitted in connection with a stockholder vote to amend its amended and restated certificate of incorporation to modify the substance or timing of the Company’s obligation to redeem 100% of its public shares if the Company has not consummated an initial Business Combination within the combination period or with respect to any other material provisions relating to stockholders’ rights (including redemption rights) or pre-initial Business Combination activity. The proceeds deposited in the Trust Account could become subject to the claims of the Company’s creditors, if any, which could have priority over the claims of the Company’s public stockholders.

The Company will provide its public stockholders with the opportunity to redeem all or a portion of their public shares upon the completion of the initial Business Combination either (i) in connection with a stockholder meeting called to approve the Business Combination or (ii) without a stockholder vote by means of a tender offer. The decision as to whether the Company will seek stockholder approval of a proposed Business Combination or conduct a tender offer will be made by the Company, solely in its discretion. The stockholders will be entitled to redeem all or a portion of their public shares upon the completion of the initial Business Combination at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account calculated as of two business days prior to the consummation of the initial Business Combination, including interest earned on the funds held in the Trust Account (which interest shall be net of taxes payable), divided by the number of then outstanding public shares, subject to the limitations and on the conditions described herein. The amount in the Trust Account is initially anticipated to be \$10.00 per public share. The per share amount the Company will distribute to investors who properly redeem their shares will not be reduced by the deferred underwriting commissions the Company will pay to the underwriter.

If the Company is unable to complete the initial Business Combination within the Combination Period, the Company will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem 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 (which interest shall be net of 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 stockholders' rights as stockholders (including the right to receive further liquidation 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, liquidate and dissolve, subject, in each case, to the Company's obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law.

The Sponsor, officers and directors have agreed to (i) waive their redemption rights with respect to any Founder Shares, Private Placement Shares (as defined in Note 3) and public shares they hold in connection with the completion of the initial Business Combination, (ii) waive their redemption rights with respect to any Founder Shares, Private Placement Shares and public shares they hold in connection with a stockholder vote to approve an amendment to the Company's amended and restated certificate of incorporation, (iii) waive their rights to liquidating distributions from the Trust Account with respect to any Founder Shares they hold if the Company fails to complete the initial Business Combination within the Combination Period, and (iv) vote their Founder Shares, Private Placement Shares and any public shares purchased during or after the IPO in favor of the initial Business Combination.

The Sponsor has agreed that it will be liable to the Company if and to the extent any claims by a third party for services rendered or products sold to the Company, or a prospective target business with which the Company has entered into a written letter of intent, confidentiality or other similar agreement or Business Combination agreement, reduce the amount of funds in the Trust Account to below the lesser of (i) \$10.00 per public share and (ii) the actual amount per public share held in the Trust Account as of the date of the liquidation of the Trust Account, if less than \$10.00 per public share due to reductions in the value of the trust assets, less taxes payable, provided that such liability will not apply to any claims by a third party or prospective target business who executed a waiver of any and all rights to the monies held in the Trust Account (whether or not such waiver is enforceable) nor will it apply to any claims under the Company's indemnity of the underwriters of the IPO against certain liabilities, including liabilities under the Securities Act. However, the Company has not asked the Sponsor to reserve for such indemnification obligations, nor has the Company independently verified whether the Sponsor has sufficient funds to satisfy its indemnity obligations and the Company believes that the Sponsor's only assets are securities of the Company. Therefore, the Company cannot assure that the Sponsor would be able to satisfy those obligations. None of the Company's officers or directors will indemnify the Company for claims by third parties including, without limitation, claims by vendors and prospective target businesses.

### **Merger Agreement**

On July 7, 2021, the Company entered into a definitive agreement for a business combination with Heliogen, Inc. ("Heliogen") a leading provider of AI-enabled concentrated solar power. Following the business combination, the Company expects to be renamed "Heliogen, Inc." and will remain listed on the New York Stock Exchange under the new ticker symbol "HLGN".

The business combination is structured as a statutory merger of the Company and Heliogen, with Heliogen surviving the merger as a wholly owned subsidiary of the Company. All of Heliogen's stockholders are expected to rollover their equity into the combined company and to receive shares of the Company's Class A common stock at closing as consideration.

Completion of the proposed transaction is subject to customary closing conditions, including the approval of the Company's and Heliogen's respective stockholders and regulatory approvals, and is expected to occur in the fourth calendar quarter of 2021.

In connection with the execution of the definitive business combination agreement, the Company entered into subscription agreements, dated on or about July 6, 2021 (the "Subscription Agreements"), with certain investors, pursuant to which such investors have agreed to purchase an aggregate of 16,500,000 shares of common stock, for a purchase price of \$10.00 per share, for an aggregate purchase price of \$165,000,000, to be issued immediately prior to and conditioned upon the effectiveness of the consummation of the business combination. The obligations of each party to consummate the transactions pursuant to the Subscription Agreements are conditioned upon, among other things, customary closing conditions and the consummation of the business combination.

On August 30, 2021, the Company received a litigation demand letter (the "Class Vote Demand") on behalf of Athena stockholder FWD LKNG GDD Irrevocable Trust. The Demand alleges that the Company violated Section 242(b)(2) of the Delaware General Corporation Law by not requiring separate class votes for holders of the Company's Class A and Class B Common Stock in connection with the Company's proposed transaction with Heliogen, Inc ("Heliogen"). According to the Class Vote Demand, a class vote is required under Section 242(b)(2) because consideration to the stockholders of Heliogen will be paid in newly issued Common Stock, following elimination of the Class B Common Stock. While such separate class vote is not required pursuant to Section 242(b)(2) of the DGCL, the Company has concluded that such separate class vote is advisable to prevent disruption to the proposed transaction with Heliogen, and to avoid the delay and expense of potential litigation and will amend its Form S-4 Registration Statement to reflect that change. Management believes that the ultimate outcome of the litigation demand will not have a material effect on these Financial Statements.

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

As of September 30, 2021, the Company had approximately \$177,000 in its operating bank account, and a working capital deficit of approximately \$2.1 million, which includes approximately \$2.2 million of accrued professional fees not due to be paid until the consummation of the merger.

The Company's liquidity needs up to March 19, 2021 had been satisfied through a capital contribution from the Sponsor of \$25,000 (see Note 6) for the founder shares and the loan under an unsecured promissory note from the Sponsor of up to \$300,000 and offering costs and expenses paid for by related parties (see Note 6). Subsequent to the consummation of the IPO, the Company's liquidity needs have been satisfied through the net proceeds from the consummation of the Private Placement not held in the Trust Account. In addition, in order to finance transaction costs in connection with a Business Combination, the Sponsor or an affiliate of the Sponsor, or certain of the officers and directors may, but are not obligated to, provide the Company with working capital loans. As of September 30, 2021, there were no amounts outstanding under any working capital loan.

These conditions raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time, which is considered to be one year from the issuance date of the financial statements. These financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern.

### **Risks and Uncertainties**

Management is continuing to evaluate the impact of the COVID-19 pandemic and has concluded that while it is reasonably possible that it 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 financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

### **Note 2 — Restatement of Previously Issued Financial Statements**

In the Company's previously issued financial statements, a portion of the public shares were classified as permanent equity to maintain stockholders' equity greater than \$5,000,000 on the basis that the Company will consummate its initial business combination only if the Company has net tangible assets of at least \$,000,001. Thus, the Company can only complete a merger and continue to exist as a public company if there is sufficient Public Shares that do not redeem at the merger and so it is appropriate to classify the portion of its public shares required to keep its stockholders' equity above the \$5,000,000 threshold as "shares not subject to redemption."

However, in light of recent comment letters issued by the Securities & Exchange Commission ("SEC") to several special purpose acquisition companies, management re-evaluated the Company's application of ASC 480-10-99 to its accounting classification of public shares. Upon re-evaluation, management determined that the Public Shares issued during the IPO and pursuant to the exercise of the underwriters' overallotment can be redeemed or become redeemable subject to the occurrence of future events considered outside the Company's control under ASC 480-10-S99. Therefore, management concluded that all of the Public Shares should be classified as temporary equity in its entirety. As a result, management has noted a reclassification adjustment related to temporary equity and permanent equity. This resulted in an adjustment to the initial carrying value of the Public Shares with the offset recorded to additional paid-in capital (to the extent available), accumulated deficit and common stock.

In connection with the change in presentation for the Public Shares, the Company also restated its earnings per share calculation to allocate net income (loss) evenly to redeemable and nonredeemable common stock. This presentation contemplates a Business Combination as the most likely outcome, in which case, both classes of common stock pro rata in the income (loss) of the Company.

In accordance with SEC Staff Accounting Bulletin No. 99, "Materiality," and SEC Staff Accounting Bulletin No. 108, "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements;" the Company evaluated the changes and has determined that the related impacts were material to any previously presented financial statements. Therefore, the Company, in consultation with its Audit Committee, concluded that its previously issued financial statements impacted should be restated to report all public shares as temporary equity. As such the Company is restating those periods in this Quarterly Report.

#### Impact of the Restatement

The impact to the balance sheet as of March 19, 2021, the balance sheet as of March 31, 2021 and the balance sheet as of June 30, 2021 is presented below:

	<u>As Reported</u>	<u>Adjustment</u>	<u>As Restated</u>
<b>Balance Sheet as of March 19, 2021</b>			
<b>(as revised in footnote 2 of form 10Q filed on May 24, 2021)</b>			
Common Stock subject to possible redemption	\$ 227,542,138	\$ 22,457,862	\$ 250,000,000
Class A common stock, \$0.0001 par value	295	(225)	70
Class B common stock, \$0.0001 par value	982	—	982
Additional Paid in Capital	5,586,660	(5,586,660)	—
Accumulated Deficit	(587,936)	(16,870,977)	(17,458,913)
Total Stockholders' Equity (Deficit)	<u>\$ 5,000,001</u>	<u>\$ (22,457,862)</u>	<u>\$ (17,457,861)</u>
Number of shares subject to redemption	<u>22,754,214</u>	<u>2,245,786</u>	<u>25,000,000</u>

<b>Balance Sheet as of March 31, 2021</b>			
<b>(per form 10-Q filed on May 24, 2021)</b>			
Common Stock subject to possible redemption	\$ 227,362,131	\$ 22,637,869	\$ 250,000,000
Class A common stock, \$0.0001 par value	296	(226)	70
Class B common stock, \$0.0001 par value	982	—	982
Additional Paid in Capital	5,766,666	(5,766,666)	—
Accumulated Deficit	(767,937)	(16,870,977)	(17,638,914)
Total Stockholders' Equity (Deficit)	<u>\$ 5,000,007</u>	<u>\$ (22,637,869)</u>	<u>\$ (17,637,862)</u>
Number of shares subject to redemption	<u>22,736,213</u>	<u>2,263,787</u>	<u>25,000,000</u>

<b>Statement of Operations for the three months ended March 31, 2021</b>			
<b>(per form 10-Q filed on May 24, 2021)</b>			
Weighted average shares outstanding, redeemable Class A common stock	22,752,829	(19,419,496)	3,333,333
	\$ 0.00	\$ (0.06)	\$ (0.06)
Basic and diluted net income per share, redeemable Class A common stock			
Weighted average shares outstanding, non-redeemable Class A and Class B common stock	8,992,369	(332,369)	8,660,000
Basic and diluted net income per share, non-redeemable Class A and Class B common stock	(0.09)	0.03	(0.06)

<b>Balance Sheet as of June 30, 2021</b>			
<b>(per form 10-Q filed on August 13, 2021)</b>			
Common Stock subject to possible redemption	\$ 228,381,200	\$ 21,618,800	\$ 250,000,000
Class A common stock, \$0.0001 par value	286	(216)	70
Class B common stock, \$0.0001 par value	857	—	857
Additional Paid in Capital	4,747,731	(4,747,731)	—
Retained Earnings (Accumulated Deficit)	251,127	(16,870,853)	(16,619,726)
Total Stockholders' Equity (Deficit)	<u>\$ 5,000,001</u>	<u>\$ (21,618,800)</u>	<u>\$ (16,618,799)</u>
Number of shares subject to redemption	<u>22,838,120</u>	<u>2,161,880</u>	<u>25,000,000</u>

<b>Statement of Operations for the three months ended June 30, 2021</b>			
<b>(per form 10-Q filed on August 13, 2021)</b>			
Weighted average shares outstanding, redeemable Class A common stock	22,987,181	2,012,819	25,000,000
Basic and diluted net income per share, redeemable Class A common stock	\$ 0.00	\$ 0.03	\$ 0.03
Weighted average shares outstanding, non-redeemable Class A and Class B common stock	11,529,334	(2,262,667)	9,266,667
Basic and diluted net income per share, non-redeemable Class A and Class B common stock	\$ 0.09	\$ (0.06)	\$ 0.03

#### Statement of Operations for the six months ended June 30, 2021 (per form 10-Q filed on August 13, 2021)

Weighted average shares outstanding, redeemable Class A common stock		22,738,853		(8,512,334)		14,226,519
Basic and diluted net income per share, redeemable Class A common stock	\$	0.00	\$	0.01	\$	0.01
Weighted average shares outstanding, non-redeemable Class A and Class B common stock		10,267,860		(1,302,850)		8,965,010
Basic and diluted net income per share, non-redeemable Class A and Class B common stock	\$	0.02	\$	(0.01)	\$	0.01

### Note 3 — Significant Accounting Policies

#### Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X of the SEC. Certain information or footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted, pursuant to the rules and regulations of the SEC for interim financial reporting. Accordingly, they do not include all the information and footnotes necessary for a complete presentation of financial position, results of operations, or cash flows. In the opinion of management, the accompanying unaudited condensed financial statements include all adjustments, consisting of a normal recurring nature, which are necessary for a fair presentation of the financial position, operating results and cash flows for the periods presented.

The interim results for the nine months ended September 30, 2021 are not necessarily indicative of the results to be expected for the year ending December 31, 2021 or for any future interim periods.

#### Emerging Growth Company Status

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

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

#### Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of 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 did not have any cash equivalents as of September 30, 2021 and December 31, 2020.

#### Marketable Securities Held in Trust Account

At September 30, 2021, substantially all of the assets held in the Trust Account were held in money market funds which invest in U.S. Treasury securities.

#### Warrant Liabilities

The Company evaluated the Public Warrants and Private Placement Warrants (collectively, “Warrants”, which are discussed in Note 4, Note 5 and Note 9) in accordance with ASC 815-40, “Derivatives and Hedging — Contracts in Entity’s Own Equity”, and concluded that a provision in the Warrant Agreement related to certain tender or exchange offers precludes the Warrants from being accounted for as components of equity. As the Warrants meet the definition of a derivative as contemplated in ASC 815, the Warrants are recorded as derivative liabilities on the Condensed Balance Sheet and measured at fair value at inception (on the date of the IPO) and at each reporting date in accordance with ASC 820, “Fair Value Measurement”, with changes in fair value recognized in the Condensed Statement of Operations in the period of change.

#### 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 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 statement of operations. Offering costs associated with the Class A common stock were charged to stockholders’ equity upon the completion of the Initial Public Offering. Transaction costs amounted to \$14,203,291, of which \$566,948 were allocated to expense associated with the warrant liability.

## Common Stock Subject to Possible Redemption

All of the 25,000,000 Class A Common Stock sold as part of the Units in the Public Offering contain a redemption feature which allows for the redemption of such public shares in connection with the Company's liquidation, if there is a stockholder vote or tender offer in connection with the Business Combination and in connection with certain amendments to the Company's second 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-S99, redemption provisions not solely within the control of the Company require common stock subject to redemption to be classified outside of permanent equity. Ordinary liquidation events, which involve the redemption and liquidation of all of the entity's equity instruments, are excluded from the provisions of ASC 480. Accordingly, at September 30, 2021 and December 31, 2020, since all the shares of Class A common stock can be redeemed or become redeemable subject to the occurrence of future events considered outside the Company's control under ASC 480-10-S99, all shares of Class A common stock subject to redemption is presented as temporary equity, outside of the stockholders' equity section of the Company's condensed balance sheets, respectively.

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.

## Income Taxes

The Company accounts for income taxes under ASC 740 Income Taxes ("ASC 740"). ASC 740 requires the recognition of deferred tax assets and liabilities for both the expected impact of differences between the financial statement and tax basis of assets and liabilities and for the expected future tax benefit to be derived from tax loss and tax credit carry forwards. ASC 740 additionally requires a valuation allowance to be established when it is more likely than not that all or a portion of deferred tax assets will not be realized. The deferred tax assets were deemed to be de minimis as of September 30, 2021 and December 31, 2020.

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

The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. There were no unrecognized tax benefits and no amounts accrued for interest and penalties as of September 30, 2021 and December 31, 2020. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position. The Company has identified the United States as its only "major" tax jurisdiction. The Company is subject to income tax examinations by major taxing authorities since inception. These potential examinations may include questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions and compliance with federal and state tax laws. The Company's management does not expect that the total amount of unrecognized tax benefits will materially change over the next twelve months. The provision for income taxes was deemed to be de minimis for the nine months ended September 30, 2021.

## Net Loss Per Common Share

Net loss per share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. The Company has two classes of shares, Class A Common Stock and Class B Common Stock. Earnings and losses are shared pro rata between the two classes of shares.

The Company's statement of operations includes a presentation of net loss per share for Class A and Class B common Stock. Net loss per share for Class A and Class B common stock, basic and diluted, is calculated by dividing the proportionate share of net loss by the weighted average number of shares outstanding for the period.

## Reconciliation of Net Loss per Common Share

The Company's net loss is adjusted for the portion of net loss that is allocable to each class of common stock. The allocable net loss is calculated by multiplying net loss by the ratio of weighted average number of shares outstanding attributable to Class A and Class B common stock to the total weighted average number of shares outstanding for the period. Accordingly, basic and diluted loss per common share is calculated as follows:

	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2021
<i>Class A Common Stock</i>		
Numerator: Net loss allocable to Class A common stock		
Net loss	\$ (5,763,793)	\$ (5,511,905)
Less: Allocation of net loss to Class B common stock	(1,440,948)	(1,753,788)
Proportionate share of net loss	<u>\$ (4,322,845)</u>	<u>\$ (3,758,117)</u>
Denominator: Weighted Average Class A Common Stock		
Basic and diluted weighted average shares outstanding	25,700,000	18,357,143
Basic and diluted net loss per share	<u>\$ (0.17)</u>	<u>\$ (0.20)</u>
<i>Class B Common Stock</i>		
Numerator: Net loss allocable to Class B common stock		
Net loss	\$ (5,763,793)	\$ (5,511,905)
Less: Allocation of net loss to Class A common stock	(4,322,845)	(3,758,117)
Proportionate share of net loss	<u>\$ (1,440,948)</u>	<u>\$ (1,753,788)</u>
Weighted average shares outstanding, basic and diluted	<u>8,566,667</u>	<u>8,566,667</u>
Basic and diluted net loss per common share	<u>\$ (0.17)</u>	<u>\$ (0.20)</u>

## Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash accounts in a financial institution, which, at times, may exceed the federal depository insurance coverage of \$250,000. The Company has not experienced losses on these accounts and management believes the Company is not exposed to significant risks on such accounts.

## Fair Value of Financial Instruments

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

#### Recent Accounting Pronouncements

In August 2020, the FASB issued 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): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity* ("ASU 2020-06"), which simplifies accounting for convertible instruments by removing major separation models required under current GAAP. The ASU also removes certain settlement conditions that are required for equity-linked contracts to qualify for scope exception, and it simplifies the diluted earnings per share calculation in certain areas. ASU 2020-06 is effective January 1, 2022 and should be applied on a full or modified retrospective basis, with early adoption permitted beginning on January 1, 2021. The Company is currently assessing the impact, if any, that ASU 2020-06 would have on its financial position, results of operations or cash flows.

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

#### Note 4 — Initial Public Offering

##### Public Units

On March 19, 2021, the Company sold 25,000,000 Units, at a purchase price of \$10.00 per Unit, generating gross proceeds of \$250,000,000. Each Unit consists of one share of Class A common stock, and one-third of one redeemable warrant to purchase one share of Class A common stock (the "Public Warrants").

##### Public Warrants

Each whole warrant entitles the holder to purchase one share of Class A common stock at a price of \$11.50 per share, subject to adjustment as discussed below, at any time commencing on the later of 12 months from the closing of the IPO and 30 days after the completion of the initial Business Combination, provided in each case 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 under the circumstances specified in the warrant agreement) and such shares are registered, qualified or exempt from registration under the securities, or blue sky, laws of the state of residence of the holder. The warrants will expire five years after the completion of the Company's initial Business Combination, at 5:00 p.m., New York City time, or earlier upon redemption or liquidation.

The Company has agreed that as soon as practicable, but in no event later than fifteen (15) business days after the closing of the initial Business Combination, it will use its best efforts to file with the SEC a registration statement for the registration, under the Securities Act, of the Class A common stocks issuable upon exercise of the warrants. The Company will use its best efforts to cause the same to become effective and to maintain the effectiveness of such registration statement, and a current prospectus relating thereto, until the expiration or redemption of the warrants in accordance with the provisions of the warrant agreement. If a registration statement covering the shares of Class A common stock issuable upon exercise of the warrants is not effective by the sixtieth (60th) business day after the closing of the initial Business Combination, warrant holders may, until such time as there is an effective registration statement and during any period when the Company will have failed to maintain an effective registration statement, exercise warrants on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act or another exemption. Notwithstanding the above, if the Company's Class A common stock are at the time of any exercise of a warrant not listed on a national securities exchange such that they satisfy the definition of a "covered security" under Section 18(b)(1) of the Securities Act, the Company may, at its option, require holders of public warrants who exercise their warrants to do so on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act and, in the event the Company so elects, it will not be required to file or maintain in effect a registration statement, and in the event the Company does not so elect, it will use its best efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available.

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

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

In addition, if the Company issues additional shares of common stock or equity-linked securities for capital raising purposes in connection with the closing of its initial Business Combination at a newly issued price of less than \$9.20 per share of common stock (with such issue price or effective issue price to be determined in good faith by the Company's board of directors, and in the case of any such issuance to the initial stockholders or their respective affiliates, without taking into account any Founder Shares held by them, as applicable, prior to such issuance), the exercise price of the warrants will be adjusted (to the nearest cent) to be equal to 115% of the newly issued price.

#### Note 5 — Private Placement

Simultaneously with the closing of the IPO, the Sponsor purchased an aggregate of 700,000 Private Placement Units at a price of \$10.00 per Private Placement Units, for an aggregate purchase price of \$7,000,000, in a private placement. A portion of the proceeds from the private placement was added to the proceeds from the IPO held in the Trust. Each Private Placement Unit consists of one share of Class A common stock (the "Private Placement Shares") and one-third of one warrant (the "Private Placement Warrants").

Each whole Private Placement Warrant is exercisable for one whole share of Class A common stock at a price of \$11.50 per share, subject to adjustment. 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. If the Private Placement Warrants are held by someone other than the Sponsor or its permitted transferees, the Private Placement Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the warrants included in the Public Units sold in the IPO.

## Note 6 — Related Party Transactions

### Founder Shares

On December 28, 2020, the Sponsor paid \$25,000, or approximately \$0.003 per share, to cover certain offering costs in consideration for 9,816,667 shares of Class B common stock, par value \$0.0001 (the “Founder Shares”). Up to 1,250,000 Founder Shares were subject to forfeiture by the Sponsor depending on the extent to which the underwriters’ over-allotment option was exercised. On May 3, 2021, the underwriters’ over-allotment option expired, not having been exercised, and accordingly, the 1,250,000 Founder Shares were forfeited (see Note 8).

The initial stockholders have agreed not to transfer, assign or sell any of their Founder Shares (i) with respect to 25% of such shares, until consummation of the initial Business Combination, (ii) with respect to 25% of the Founder Shares, until the closing price of the Company’s Class A common stock exceeds \$12.00 for any 20 trading days within a 30-trading day period following the consummation of the initial Business Combination, (iii) with respect to 25% of the Founder Shares, until the closing price of the Company’s Class A common stock exceeds \$13.50 for any 20 trading days within a 30-trading day period following the consummation of the initial Business Combination, and (iv) with respect to 25% of the Founder Shares, until the closing price of the Company’s Class A common stock exceeds \$17.00 for any 20 trading days within a 30-trading day period following the consummation of the initial Business Combination or earlier, in any case, if, following a Business Combination, the Company completes a liquidation, merger, capital stock exchange or other similar transaction that results in all of its stockholders having the right to exchange their shares of common stock for cash, securities or other property (the “Lock-up”). Any permitted transferees would be subject to the same restrictions and other agreements of the initial stockholders with respect to any Founder Shares. Notwithstanding the foregoing, in connection with an initial Business Combination, the initial holders may transfer, assign or sell their Founder Shares with the Company’s consent to any person or entity that agrees in writing to be bound by the Lock-up.

### Due to Related Party

Commencing on the date the securities of the Company were first listed on the New York Stock Exchange, the Company will pay its Sponsor \$10,000 per month for office space, secretarial and administrative services provided to members of the management team. Upon completion of the initial Business Combination or the Company’s liquidation, it will cease paying these monthly fees. A total of \$64,516 has been accrued as of September 30, 2021.

### Promissory Note — Related Party

On January 8, 2021, Company issued an unsecured promissory note to the Sponsor for an aggregate of up to \$00,000 to cover expenses related to the IPO. This loan was non-interest bearing and payable on the earlier of December 31, 2021 or the completion of the IPO. The Company did not draw down any amounts under the promissory note. The Sponsor and certain affiliates of the Sponsor have instead made payments for offering costs and expenses on behalf of the Company which were fully reimbursed as of September 30, 2021.

## Related Party Loans

In addition, in order to finance transaction costs in connection with an intended Business Combination, the Sponsor or an affiliate of the Sponsor, or certain of the Company’s officers and directors may, but are not obligated to, loan the Company funds as may be required on a non-interest-bearing basis (“Working Capital Loans”). If the Company completes the initial Business Combination, it would repay the Working Capital Loans. In the event that the initial Business Combination does not close, the Company may use a portion of the working capital held outside the Trust Account to repay the Working Capital Loans but no proceeds from the Trust Account would be used to repay the Working Capital Loans. Up to \$1,500,000 of such Working Capital Loans may be convertible into units of the post-Business Combination entity at a price of \$0.00 per unit at the option of the lender. The units would be identical to the Private Placement Units. Except as set forth above, the terms of Working Capital Loans, if any, have not been determined and no written agreements exist with respect to such loans. At September 30, 2021, no Working Capital Loans were outstanding.

## Note 7 — Commitments and Contingencies

### Registration Rights

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

### Underwriting Agreement

On March 19, 2021, the Company paid an underwriting discount of \$5,000,000. Additionally, the underwriters are entitled to deferred underwriting fee of 3.5% of the gross proceeds of the IPO, or \$8,750,000 in the aggregate. The deferred fee will become payable to the underwriters 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.

In addition, see Note 1, Merger Agreement for the litigation demand.

## Note 8 — Stockholders’ Equity (Deficit)

**Preferred Stock** — The Company is authorized to issue 1,000,000 shares of preferred stock with a par value of \$0.0001 and provides that shares of preferred stock may be issued from time to time in one or more series. The Company’s board of directors will be authorized to fix the voting rights, if any, designations, powers, preferences, the relative, participating, optional or other special rights and any qualifications, limitations and restrictions thereof, applicable to the shares of each series. At September 30, 2021 and December 31, 2020, there were no shares of preferred stock issued or outstanding.

**Class A Common Stock** — The Company is authorized to issue 300,000,000 shares of Class A common stock with a par value of \$0.0001 per share. At September 30, 2021 and December 31, 2020, there were 700,000 and 0 shares issued and outstanding, excluding 25,000,000 and no shares subject to possible redemption, respectively.

**Class B Common Stock** — The Company is authorized to issue 20,000,000 shares of Class B common stock with a par value of \$0.0001 per share. Holders are entitled to one vote for each share of Class B common stock. At September 30, 2021 and December 31, 2020, there were 8,566,667 and 9,816,667 shares of Class B common stock issued and outstanding, respectively. Of the 9,816,667 shares of Class B common stock outstanding at December 31, 2020, an aggregate of up to 1,250,000 shares were subject to forfeiture to the Company for no consideration to the extent that the underwriters’ over-allotment option was not exercised in full or in part. On May 3, 2021, the underwriters’ over-allotment option expired not exercised, and accordingly, the 1,250,000 shares were forfeited.

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

The Class B common stock will automatically convert into Class A common stock upon the consummation of the initial Business Combination on a one-for-one basis, subject to adjustment for stock splits, stock dividends, reorganizations, recapitalizations and the like, and subject to further adjustment. 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 offered 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 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, 25% of the sum of the total number of all shares of common stock outstanding (including the Private Placement Shares) upon 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 (excluding any shares or equity-linked securities issued, or to be issued, to any seller in the initial Business Combination, any Private Placement Units and their underlying securities issued to the Sponsor or its affiliates upon conversion of the Working Capital Loans made to the Company).

#### Note 9 — Fair Value Measurements

The Company follows the guidance in ASC 820 for its financial assets and liabilities that are re-measured and reported at fair value at each reporting period, and non-financial assets and liabilities that are re-measured and reported at fair value at least annually.

The fair value of the Company's financial assets and liabilities reflects management's estimate of amounts that the Company would have received in connection with the sale of the assets or paid in connection with the transfer of the liabilities in an orderly transaction between market participants at the measurement date. In connection with measuring the fair value of its assets and liabilities, the Company seeks to maximize the use of observable inputs (market data obtained from independent sources) and to minimize the use of unobservable inputs (internal assumptions about how market participants would price assets and liabilities). The following fair value hierarchy is used to classify assets and liabilities based on the observable inputs and unobservable inputs used in order to value the assets and liabilities:

Level 1 — Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Valuation adjustments and block discounts are not being applied. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 — Valuations based on (i) quoted prices in active markets for similar assets and liabilities, (ii) quoted prices in markets that are not active for identical or similar assets, (iii) inputs other than quoted prices for the assets or liabilities, or (iv) inputs that are derived principally from or corroborated by market through correlation or other means.

Level 3 — Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The following table presents information about the Company's assets that are measured at fair value on a recurring basis at September 30, 2021, and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

	September 30, 2021	Quoted Prices In Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
<b>Assets:</b>				
U.S. Money Market held in Trust Account	\$ 250,013,873	\$ 250,013,873	\$ —	\$ —
<b>Liabilities:</b>				
Public Warrants Liability	\$ 11,333,332	\$ 11,333,332	\$ —	\$ —
Private Placement Warrants Liability	317,333	—	317,333	—
	<u>\$ 11,650,665</u>	<u>\$ 11,333,332</u>	<u>\$ 317,333</u>	<u>\$ —</u>

The Warrants are accounted for as liabilities in accordance with ASC 815-40 and are presented within warrant liabilities on the Condensed Balance Sheet. The warrant liabilities are measured at fair value at inception and on a recurring basis, with changes in fair value presented within change in fair value of warrant liabilities in the Condensed Statement of Operations.

The Company established the initial fair value of the Public Warrants and Private Warrants on March 19, 2021, the date of the Company's Initial Public Offering, using a Monte Carlo simulation model. The Warrants were classified as Level 3 at the initial measurement date, due to the use of unobservable inputs. As of May 9, 2021, when they began trading separately, the Public Warrants were classified as Level 1 due to use of the observed trading price of the separated Public Warrants, and the Private Warrants were classified as Level 2 due to the use of observed price of the Public Warrants which are considered similar liabilities for fair value measurement.

The following table presents the changes Level 3 liabilities for the nine months ended September 30, 2021:

Fair Value at January 1, 2021	\$ —
Initial fair value of public and private warrants	10,258,582
Change in fair value of public and private warrants	(2,805,582)
Transfer of public warrants to level 1	(7,250,000)
Transfer of private warrants to level 2	(203,000)
Fair Value at September 30, 2021	<u>\$ —</u>

The key inputs into the Monte Carlo simulation as of March 19, 2021 were as follows:

<b>Inputs</b>	<b>(Initial Measurement) March 19, 2021</b>
Risk-free interest rate	1.38%
Expected term remaining (years)	6.41
Expected volatility	25.0%
Stock price	\$ 10.00

#### Note 10 — Subsequent Events

The Company evaluated subsequent events and transactions that occurred after the balance sheet date up to the date that the financial statements were issued. Based upon this review, other than as described below, the Company did not identify any subsequent events that would have required adjustment or disclosure in the financial statements.

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

References in this quarterly report on Form 10-Q (the “Quarterly Report”) to “we,” “our,” “us” or the “Company” refer to Athena Technology Acquisition Corp. References to our “management” or our “management team” refer to our officers and directors, and references to the “Sponsor” refer to Athena Technology Sponsor LLC. The following discussion and analysis of the Company’s financial condition and results of operations should be read in conjunction with the financial statements and the notes thereto contained elsewhere in this Quarterly Report. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties.

### Special Note Regarding Forward-Looking Statements

This Quarterly Report includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Exchange Act that are not historical facts, and involve risks and uncertainties that could cause actual results to differ materially from those expected and projected. All statements, other than statements of historical fact included in this Form 10-Q including, without limitation, statements in this “Management’s Discussion and Analysis of Financial Condition and Results of Operations” regarding the Company’s financial position, business strategy and the plans and objectives of management for future operations, are forward-looking statements. Words such as “expect,” “believe,” “anticipate,” “intend,” “estimate,” “seek” and variations and similar words and expressions are intended to identify such forward-looking statements. Such forward-looking statements relate to future events or future performance, but reflect management’s current beliefs, based on information currently available. A number of factors could cause actual events, performance or results to differ materially from the events, performance and results discussed in the forward-looking statements. For information identifying important factors that could cause actual results to differ materially from those anticipated in the forward-looking statements, please refer to the Risk Factors section of the Company’s described in our final prospectus relating to the Initial Public Offering dated March 16, 2021 filed on March 18, 2021 (the “Prospectus”) with the U.S. Securities and Exchange Commission (the “SEC”). The Company’s securities filings can be accessed on the EDGAR section of the SEC’s website at [www.sec.gov](http://www.sec.gov). Except as expressly required by applicable securities law, the Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

### Overview

We are a blank check company incorporated on December 8, 2020, as a Delaware corporation and formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. We intend to effectuate our initial business combination using cash from the proceeds of our initial public offering (“Initial Public Offering”) and our private placement of private placement units, any proceeds from the sale of our shares in connection with our initial business combination (pursuant to forward purchase agreements or backstop agreements we may enter into following the consummation of this offering or otherwise), shares issued to the owners of the target, debt issued to bank or other lenders or the owners of the target, or a combination of the foregoing.

Our sponsor is Athena Technology Sponsor LLC, a Delaware limited liability company. The registration statement for our Initial Public Offering was declared effective on March 16, 2021. On March 19, 2021, we consummated our Initial Public Offering of 25,000,000 units (the “Units”), with each Unit consisting of one share of Class A common stock of the Company, par value \$0.0001 per share (“Class A Common Stock”), and one-third of one redeemable warrant of the Company (“Warrant”), with each whole Warrant entitling the holder thereof to purchase one share of 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 \$250,000,000.

Simultaneously with the closing of the Initial Public Offering, pursuant to the Placement Units Purchase Agreement, the Company completed the private sale of an aggregate of 700,000 units (the “Private Placement Units”) to the Sponsor at a purchase price of \$10.00 per Private Placement Unit, generating gross proceeds to the Company of approximately \$7,000,000. The Private Placement Units are identical to the Units sold in the Initial Public Offering, except as otherwise disclosed in the Prospectus. No underwriting discounts or commissions were paid with respect to such sale. The issuance of the Private Placement Units was made pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act of 1933, as amended.

A total of \$250,000,000, comprised of \$245,000,000 of the proceeds from the Initial Public Offering (which amount includes \$8,750,000 of deferred underwriting commissions) and \$5,000,000 of the proceeds of the sale of the Private Placement Units, was placed in a U.S.-based trust account maintained by Continental Stock Transfer & Trust Company, acting as trustee. Except with respect to interest earned on the funds held in the trust account that may be released to the Company to pay its taxes (less up to \$100,000 interest to pay dissolution expenses, if any), the funds held in the trust account will not be released from the trust account until the earliest of (i) the completion of the Company’s initial business combination, (ii) the redemption of the Company’s public shares properly submitted in connection with a stockholder vote to amend the Company’s amended and restated certificate of incorporation (a) to modify the substance or timing of its obligation to redeem 100% of the Company’s public shares if it does not complete its initial business combination within 24 months from the closing of the Initial Public Offering or (b) with respect to any other provision relating to stockholders’ rights or pre-initial business combination activity and (iii) the redemption of 100% of the Company’s public shares if the Company has not completed its initial business combination within 24 months from the closing of the Initial Public Offering, subject to applicable law.

Our 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 Units, although substantially all of the net proceeds are intended to be applied generally toward consummating an initial business combination.

We will have only 24 months from the closing of our Initial Public Offering to complete an initial business combination (the “Combination Period”). However, if we are unable to complete the initial business combination within the Combination Period, we will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem 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 (which interest shall be net of 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 stockholders' rights as stockholders (including the right to receive further liquidation distributions, if any), and (iii) as promptly as reasonably possible following such redemption, subject to the approval of our remaining stockholders and our board of directors, liquidate and dissolve, subject, in each case, to our obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law.

We expect to continue to incur significant costs in the pursuit of our acquisition plans. We cannot assure you that our plans to raise capital or to complete our initial business combination will be successful.

### **Recent Developments**

On July 7, 2021, the Company entered into a definitive agreement for a business combination with Heliogen, Inc. ("Heliogen") a leading provider of AI-enabled concentrated solar power. Following the business combination, the Company expects to be renamed "Heliogen, Inc." and will remain listed on the New York Stock Exchange under the new ticker symbol "HLGN".

The business combination is structured as a statutory merger of the Company and Heliogen, with Heliogen surviving the merger as a wholly owned subsidiary of the Company. All of Heliogen's stockholders are expected to rollover their equity into the combined company and to receive shares of the Company's Class A common stock at closing as consideration.

Completion of the proposed transaction is subject to customary closing conditions, including the approval of the Company's and Heliogen's respective stockholders and regulatory approvals, and is expected to occur in the fourth calendar quarter of 2021.

In connection with the execution of the definitive business combination agreement with Heliogen, the Company entered into subscription agreements, dated on or about July 6, 2021 (the "Subscription Agreements"), with certain investors, pursuant to which such investors have agreed to purchase an aggregate of 16,500,000 shares of common stock, for a purchase price of \$10.00 per share, for an aggregate purchase price of \$165,000,000, to be issued immediately prior to and conditioned upon the effectiveness of the consummation of the business combination. The obligations of each party to consummate the transactions pursuant to the Subscription Agreements are conditioned upon, among other things, customary closing conditions and the consummation of the business combination.

On August 30, 2021, the Company received a litigation demand letter (the "Class Vote Demand") on behalf of Athena stockholder FWD LKNG GDD Irrevocable Trust. The Demand alleges that the Company violated Section 242(b)(2) of the Delaware General Corporation Law by not requiring separate class votes for holders of the Company's Class A and Class B Common Stock in connection with the Company's proposed transaction with Heliogen, Inc ("Heliogen"). According to the Class Vote Demand, a class vote is required under Section 242(b)(2) because consideration to the stockholders of Heliogen will be paid in newly issued Common Stock, following elimination of the Class B Common Stock. While such separate class vote is not required pursuant to Section 242(b)(2) of the DGCL, the Company has concluded that such separate class vote is advisable to prevent disruption to the proposed transaction with Heliogen, and to avoid the delay and expense of potential litigation and will amend its Form S-4 Registration Statement to reflect that change. We believe that the ultimate outcome of the litigation demand will not have a material effect on our financial statements.

### **Results of Operations**

For the nine months ended September 30, 2021, we had a net loss of approximately \$5.5 million, which included a loss from operations of approximately \$3.6 million, offering cost expense allocated to warrants of approximately \$0.6 million, loss from the change in fair value of warrant liabilities of approximately \$1.4 million.

For the three months ended September 30, 2021, we had a net loss of approximately \$5.8 million, which included a loss from operations of approximately \$1.6 million and a loss from the change in fair value of warrant liabilities of approximately \$4.2 million.

Our business activities from inception to September 30, 2021 consisted primarily of our formation and completing our IPO, and since the offering, our activity has been limited to identifying and evaluating prospective acquisition targets for a Business Combination. Our operating costs include approximately \$2.6 million of professional fees and regulatory fees relating to the anticipated merger.

### **Liquidity and Capital Resources**

As of September 30, 2021, we had approximately \$177,000 in its operating bank account, and negative working capital of approximately \$2.1 million, which includes approximately \$2.2 million of accrued professional fees not due to be paid until the consummation of the merger.

Our liquidity needs up to March 19, 2021 had been satisfied through a capital contribution from the Sponsor of \$25,000 for the founder shares and the loan under an unsecured promissory note from the Sponsor of up to \$300,000 and offering costs and expenses paid for by related parties. Subsequent to the consummation of the IPO, the Company's liquidity needs have been satisfied through the net proceeds from the consummation of the Private Placement not held in the Trust Account. In addition, in order to finance transaction costs in connection with a Business Combination, the Sponsor or an affiliate of the Sponsor, or certain of the officers and directors may, but are not obligated to, provide the Company with working capital loans. As of September 30, 2021, there were no amounts outstanding under any working capital loan. We have a balance due to related parties for reimbursement of offering costs and expenses of approximately \$65,000 as of September 30, 2021.

Based on the foregoing, management believes that these conditions raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time, which is considered to be one year from the issuance date of the financial statements. Our financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern.

### **Off-Balance Sheet Arrangements**

We have no obligations, assets or liabilities, which would be considered off-balance sheet arrangements as of September 30, 2021. We do not participate in transactions that create relationships with unconsolidated entities or financial partnerships, often referred to as variable interest entities, which would have been established for the purpose of facilitating off-balance sheet arrangements. We have not entered into any off-balance sheet financing arrangements, established any special purpose entities, guaranteed any debt or commitments of other entities, or purchased any non-financial assets.

### **Contractual Obligations**

We do not have any long-term debt, capital lease obligations, operating lease obligations or long-term liabilities, other than an agreement to pay an affiliate of the Sponsor a monthly fee of \$10,000 for office space, utilities, secretarial and administrative support services. We began incurring these fees on March 19, 2021 and will continue to incur these fees monthly until the earlier of the completion of the Business Combination and our liquidation.

The underwriters are entitled to a deferred fee of \$0.35 per Unit, or \$8,750,000 in the aggregate. The deferred fee will become payable to the underwriters 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.

The initial stockholders and holders of the Private Placement Units will be entitled to registration rights pursuant to a registration rights agreement. The initial stockholders and holders of the Private Placement Units will be entitled to make up to three demands, excluding short form registration demands, that we register such securities for sale under the Securities Act. In addition, these holders will have “piggy-back” registration rights to include their securities in other registration statements filed by us. We will bear the expenses incurred in connection with the filing of any such registration statements.

We are party to a definitive business combination agreement with Heliogen, dated July 6, 2021. Completion of the proposed transaction pursuant to the business combination agreement is subject to customary closing conditions, including the approval of the Company’s and Heliogen’s respective stockholders and regulatory approvals.

In connection with the execution of the definitive business combination agreement between us and Heliogen, certain investors have agreed to purchase up to 16,500,000 shares of our common stock for the purchase price of \$10.00 per share, for an aggregate purchase price of \$165,000,000 pursuant to certain subscription agreements. The obligations of each party under the subscription agreements are conditioned upon customary closing conditions and the consummation of the Business Combination.

The Sponsor and its affiliates have agreed to vote their shares in favor of the Business Combination and the transactions contemplated thereby, pursuant to the terms of a Sponsor Support Agreement, in consideration for which the Sponsor will be issued 510,000 shares of our common stock at the closing of the Business Combination.

#### **Critical Accounting Policies**

The preparation of condensed financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and income and expenses during the periods reported. Actual results could materially differ from those estimates.

#### ***Warrants Liability***

We evaluated the Warrants in accordance with ASC 815-40, “Derivatives and Hedging — Contracts in Entity’s Own Equity”, and concluded that a provision in the Warrant Agreement related to certain tender or exchange offers as well as provisions that provided for potential changes to the settlement amounts dependent upon the characteristics of the holder of the warrant, precludes the Warrants from being accounted for as components of equity. As the Warrants meet the definition of a derivative as contemplated in ASC 815 and are not eligible for an exception from derivative accounting, the Warrants are recorded as derivative liabilities on the Balance Sheet and measured at fair value at inception (on the date of the IPO) and at each reporting date in accordance with ASC 820, “Fair Value Measurement”, with changes in fair value recognized in the Statement of Operations in the period of change.

#### ***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 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 statement of operations. Offering costs associated with the Class A common stock were charged to stockholders’ equity upon the completion of the Initial Public Offering. Transaction costs amounted to \$14,203,291, of which \$566,948 were allocated to expense associated with the warrant liability.

#### ***Common Stock Subject to Possible Redemption***

All of the 25,000,000 Class A Common Stock sold as part of the Units in the Public Offering contain a redemption feature which allows for the redemption of such public shares in connection with the Company’s liquidation, if there is a stockholder vote or tender offer in connection with the Business Combination and in connection with certain amendments to the Company’s second 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-S99, redemption provisions not solely within the control of the Company require common stock subject to redemption to be classified outside of permanent equity. Ordinary liquidation events, which involve the redemption and liquidation of all of the entity’s equity instruments, are excluded from the provisions of ASC 480. Accordingly, at September 30, 2021, since all the shares of Class A common stock can be redeemed or become redeemable subject to the occurrence of future events considered outside the Company’s control under ASC 480-10-S99, all shares of Class A common stock subject to possible redemption is presented as temporary equity, outside of the stockholders’ equity section of the Company’s condensed balance sheets, respectively.

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.

#### ***Net Loss Per Common Share***

Net loss per share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. The Company has two classes of shares, Class A Common Stock and Class B Common Stock. Earnings and losses are shared pro rata between the two classes of shares.

The Company’s statement of operations includes a presentation of net loss per share for Class A and Class B common Stock. Net loss per share for Class A and Class B common stock, basic and diluted, is calculated by dividing the proportionate share of net loss by the weighted average number of shares outstanding for the period.

#### **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 September 30, 2021, we were not subject to any market or interest rate risk. Following the consummation of our Initial Public Offering, the net proceeds of our Initial Public Offering, including amounts in the Trust Account, have been invested in U.S. government treasury bills, notes or bonds with a maturity of 185 days or less or in certain money market funds that invest solely in U.S. treasuries. 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**

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

Our management evaluated, under the supervision of our principal executive officer and principal financial and accounting officer (our "Certifying Officers"), the effectiveness of our disclosure controls and procedures as of September 30, 2021, pursuant to Rule 13a-15(b) under the Exchange Act. Based upon this evaluation, management concluded that our disclosure controls and procedures were not effective as of September 30, 2021, due to the previous material weakness in our internal control over financial reporting described in Item 4. Controls and Procedures included in our Quarterly Report on Form 10-Q as filed with the SEC on May 24, 2021, and due to the restatements of our March 19, 2021, March 31, 2021, and June 30, 2021 financial statements (the "restatements") regarding the classification of redeemable Class A Shares, as described below, which combined, constitutes a material weakness in our internal control over financial reporting. In light of this material weakness, we performed additional analysis as deemed necessary to ensure that our unaudited interim financial statements were prepared in accordance with U.S. generally accepted accounting principles. Accordingly, management believes that the financial statements included in this Quarterly Report on Form 10-Q present fairly in all material respects our financial position, results of operations and cash flows for the period presented. .

Regarding the restatements to the March 31, 2021, and June 30, 2021 quarterly financial statements included in the Company's Form 10-Qs, as filed with the SEC on May 24, 2021 and August 13, 2021, respectively, as well as the Company's balance sheet included on the Company's Form 8-K, as filed with the SEC on March 25, 2021, and restated on the Form 10-Q filed with the SEC on May 24, 2021, certain redemption provisions not solely within the control of the Company require common stock subject to redemption to be classified outside of permanent equity. The Company had previously classified a portion of the Class A common stock in permanent equity. The Company restated its financial statements to classify all Class A common stock as temporary equity and any related impact, as the threshold in its charter would not change the nature of the underlying shares as redeemable and thus would be required to be disclosed outside of permanent equity.

It is noted that the non-cash adjustments to the financial statement do not impact the amounts previously reported for our cash and cash equivalents or total assets. In light of this material weakness, we performed additional analysis as deemed necessary to ensure that our unaudited interim financial statements were prepared in accordance with U.S. generally accepted accounting principles.

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

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the quarter ended on September 30, 2021 covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Our Chief Executive Officer and Chief Financial Officer performed additional accounting and financial analyses and other post-closing procedures including consulting with subject matter experts related to the accounting for the Warrants. The Company's management has expended, and will continue to expend, a substantial amount of effort and resources for the remediation and improvement of our internal control over financial reporting. While we have processes to properly identify and evaluate the appropriate accounting technical pronouncements and other literature for all significant or unusual transactions, we have expanded and will continue to improve these processes to ensure that the nuances of such transactions are effectively evaluated in the context of the increasingly complex accounting standards.

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## **PART II - OTHER INFORMATION**

### **Item 1. Legal Proceedings.**

None.

### **Item 1A. Risk Factors.**

Except as set forth below, as of the date of this Quarterly Report, there have been no material changes with respect to those risk factors previously disclosed in described in our final prospectus relating to the Initial Public Offering dated March 16, 2021 filed with the SEC on March 18, 2021 (the "Prospectus") or the quarterly report on Form 10-Q, dated August 13, 2021 filed with the SEC on August 13, 2021. Any of these factors could result in a significant or material adverse effect on our results of operations or financial condition. Additional risk factors not presently known to us or that we currently deem immaterial may also impair our business or results of operations.

#### ***Litigation relating to the Business Combination could require us to incur significant costs, as well as delay and/or enjoin the Business Combination.***

On August 30, 2021, we received the Class Vote Demand on behalf of our stockholder FWD LKNG GDD Irrevocable Trust. The Demand alleges that we violated Section 242(b)(2) of the Delaware General Corporation Law by not requiring separate class votes for holders of our Class A Common Stock and Class B Common Stock in connection with the proposed transaction with Heliogen. According to the Class Vote Demand, a class vote is required under Section 242(b)(2) because consideration to the stockholders of Heliogen will be paid in newly issued Common Stock, following elimination of the Class B Common Stock. We could be subject to additional demands or litigation related to the Business Combination whether or not it is consummated. There can be no assurance as to the ultimate outcomes of the Class Vote Demand or any other demands or litigation with respect to the proposed Business Combination with Heliogen. Such demands or litigation could result in the closing of the Business Combination being enjoined, as well as other adverse consequences, including, but not limited to, the following:

- we would remain liable for significant costs relating to the proposed Business Combination, including, among others, legal, accounting, financial advisory and financial printing expenses;
- an announcement that we have abandoned the proposed Business Combination could trigger a decline in our stock price; or
- we may have forgone or failed to respond to alternative business combination opportunities.

We have until March 16, 2023 to complete a business combination, unless we amend our certificate of incorporation to further extend the time that we have to consummate a business combination. If we are unable to complete the Business Combination, we may incur significant expenses and costs for which we may not be entitled to reimbursement. In addition, if we do not complete an initial business combination by the applicable deadline, our public stockholders may receive only approximately \$10.00 per share on the liquidation of the Trust Account (or less than \$10.00 per share in certain circumstances where a third-party brings a claim against us that our Sponsor is unable to indemnify us) and our warrants will expire worthless.

***We have identified a material weakness in our internal control over financial reporting as of September 30, 2021. This material weakness could continue to adversely affect our ability to report our results of operations and financial condition accurately and in a timely manner.***

Our management is responsible for establishing and maintaining adequate internal control over financial reporting designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Our management is likewise required, on a

quarterly basis, to evaluate the effectiveness of our internal controls and to disclose any changes and material weaknesses identified through such evaluation of those internal controls. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

As described elsewhere in this Quarterly Report on Form 10-Q, we have identified a material weakness in our internal control over financial reporting related to our accounting and reporting of complex financial instruments, including for application of ASC 480-10-S99-3A to its accounting classification of public shares, which are in addition to the Company's previously reported material weakness as of March 31, 2021 for not classifying the Company's warrants as liabilities. As a result of this material weakness, our management has concluded that our disclosure controls and procedures were not effective as of September 30, 2021. See "Note 2—Restatement of Previously Issued Financial Statements" to the accompanying financial statements, as well as Part I. Item 4. Controls and Procedures included in this Quarterly Report on Form 10-Q. We have taken a number of measures to remediate the material weaknesses described herein. However, if we are unable to remediate our material weaknesses in a timely manner or we identify additional material weaknesses, we may be unable to provide required financial information in a timely and reliable manner and we may incorrectly report financial information. Likewise, if our financial statements are not filed on a timely basis, we could be subject to sanctions or investigations by the stock exchange on which our shares of Class A common stock are listed, the SEC or other regulatory authorities. The existence of material weaknesses or significant deficiencies in internal control over financial reporting could adversely affect our reputation or investor perceptions of us, which could have a negative effect on the trading price of our stock. In addition, we will incur additional costs to remediate material weaknesses in our internal control over financial reporting, as described in Part I. Item 4. Controls and Procedures. We can give no assurance that the measures we have taken and plan to take in the future will remediate the material weakness identified or that any additional material weaknesses or restatements of financial results will not arise in the future due to a failure to implement and maintain adequate internal control over financial reporting or circumvention of these controls. Even if we are successful in strengthening our controls and procedures, in the future those controls and procedures may not be adequate to prevent or identify irregularities or errors or to facilitate the fair presentation of our financial statements.

If we identify any new material weaknesses in the future, any such newly identified material weakness could limit our ability to prevent or detect a misstatement of our accounts or disclosures that could result in a material misstatement of our annual or interim financial statements. In such case, we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports in addition to applicable stock exchange listing requirements, investors may lose confidence in our financial reporting and our stock price may decline as a result.

**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**

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

No.	Description of Exhibit	Incorporation By Reference
31.1	<a href="#">Certification of Principal Executive Officer Pursuant to Securities Exchange Act Rules 13a-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>	Filed herewith.
31.2	<a href="#">Certification of Principal Financial Officer Pursuant to Securities Exchange Act Rules 13a-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>	Filed herewith.
32.1	<a href="#">Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>	Furnished.
32.2	<a href="#">Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>	Furnished.
101.INS	Inline XBRL Instance Document	
101.SCH	Inline XBRL Taxonomy Extension Schema Document	
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document	
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)	

† Certain of the exhibits and schedules to this exhibit have been omitted in accordance with Regulation S-K Item 601(b)(2). The Registrant agrees to furnish supplementally a copy of all omitted exhibits and schedules to the SEC upon its request.

\* Certain of the exhibits and schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 601(a)(5). The Registrant agrees to furnish supplementally a copy of all omitted exhibits and schedules to the SEC upon its request.

**SIGNATURES**

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

Date: November 15, 2021

**ATHENA TECHNOLOGY ACQUISITION CORP.**

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

By: /s/ Grace Vandecruze  
Name: Grace Vandecruze  
Title: Chief Financial Officer  
(Principal Financial and  
Principal Accounting Officer)

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

I, Phyllis W. Newhouse, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Athena Technology Acquisition Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, is made known to us by others within those entities, particularly during the period in which this report is being prepared; and
  - b) (Paragraph omitted pursuant to SEC Release Nos. 33-8238/34-47986 and 33-8392/34-49313);
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 15, 2021

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

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

I, Grace Vandecruze, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Athena Technology Acquisition Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, is made known to us by others within those entities, particularly during the period in which this report is being prepared; and
  - b) (Paragraph omitted pursuant to SEC Release Nos. 33-8238/34-47986 and 33-8392/34-49313);
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 15, 2021

/s/ Grace Vandecruze

Grace Vandecruze  
Chief Financial Officer  
(Principal Financial and Principal Accounting Officer)

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

In connection with the Quarterly Report of Athena Technology Acquisition Corp. (the "Company") on Form 10-Q for the quarterly period ended September 30, 2021, as filed with the Securities and Exchange Commission (the "Report"), I, Phyllis W. Newhouse, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as added by §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. To my knowledge, the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Date: November 15, 2021

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

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

In connection with the Quarterly Report of Athena Technology Acquisition Corp. (the "Company") on Form 10-Q for the quarterly period ended September 30, 2021, as filed with the Securities and Exchange Commission (the "Report"), I, Grace Vandecruze, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as added by §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. To my knowledge, the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Date: November 15, 2021

/s/ Grace Vandecruze

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Grace Vandecruze

Chief Financial Officer

(Principal Financial and Principal Accounting Officer)