As filed with the U.S. Securities and Exchange Commission on December 23, 2024

Registration No. 333-

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

FORM S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Abpro Holdings, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware	**2834**	**87-1013956**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

68 Cummings Park Drive
Woburn, MA 01801
Tel: 1-800-396-5890
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Ian Chan
Chief Executive Officer
68 Cummings Park Drive
Woburn, MA 01801
Tel: 1-800-396-5890
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:
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101 Constitution Ave NW, Suite 900
Washington, DC 20001
Telephone: (202) 689-2800

Approximate date of commencement of proposed sale to public: From time to time after the effective date hereof.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☒

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

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

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller reporting company ☒
	Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the registration statement shall become effective on such date as the SEC, acting pursuant to Section 8(a) of the Securities Act, may determine.

The information contained in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS SUBJECT TO COMPLETION DATED DECEMBER 23, 2024

Abpro Holdings, Inc.

Primary Offering of
Up to 28,850,000 shares of Common Stock Upon the Exercise of Warrants

Secondary Offering of
Up to 31,785,312 shares of Common Stock
Up to 13,850,000 Warrants

This prospectus relates to the primary issuance by us of up to an aggregate of 28,850,000 shares of Common Stock, par value $0.0001 per share (the "**Common Stock**"), of Abpro Holdings, Inc. (the "**Company**" or "**New Abpro**"), which consists of (i) up to 15,000,000 shares of Common Stock issuable upon the exercise of 15,000,000 warrants, at an exercise price of $11.50 per share (the "**Public Warrants**") originally issued in the initial public offering of Atlantic Coastal Acquisition Corp. II ("**ACAB**") and (ii) up to an aggregate of 13,850,000 shares of Common Stock issuable upon the exercise of 13,850,000 warrants, at an exercise price of $11.50 per share (the "**Placement Warrants**", and together with the Public Warrants, the "**Warrants**") that made up part of the private units originally issued in a private placement in connection with ACAB's initial public offering (the "**ACAB IPO**"). We will receive the proceeds from any exercise of the Warrants for cash.

This prospectus also relates to the offer and resale from time to time, upon the expiration of lock-up agreements, if applicable, by: (a) the selling shareholders named in this prospectus (including their permitted transferees, donees, pledgees and other successors-in-interest) (collectively, the "**Selling Shareholders**") of up to an aggregate of 31,785,312 shares of Common Stock, consisting of (i) an aggregate of 1,122,467 shares of Common Stock, issued in a private investment in public equity (the "**PIPE Offering**") to certain investors (the "**PIPE Investors**") pursuant to the terms of individual subscription agreements, in connection with the Business Combination (as defined below) at $10.00 per share, (ii) an aggregate of 2,244,934 shares of Common Stock issued to the PIPE Investors as incentive shares for participating in the PIPE Offering for no additional consideration (the "**Incentive Shares**"), (iii) 350,000 shares of Common Stock issued to Pillsbury Winthrop Shaw Pittman LLC in consideration for legal services provided to ACAB issued at a value of $10.00 per share, (iv) 600,000 shares of Common Stock issued to Cantor Fitzgerald & Co. ("**Cantor**") in satisfaction of Cantor's deferred underwriting fee from the ACAB IPO at a value of $10.00 per share, (v) 100,000 shares of Common Stock issued to Roth Capital Partners, LLC for advisory services at a value of $10.00 per share, (vi) 32,852 shares of Common Stock issued to Brookline Capital, in partial satisfaction of financial advisory fees at a value of $10.00 per share, (vii) 360,000 shares of Common Stock issued to Polar Multi-Strategy Master Fund at a value of $10.00 per share in satisfaction of an outstanding loan, (viii) 200,000 shares to Cohen & Company Capital Markets, a division of J.V.B. Financial Group, LLC ("**Cohen**") for advisory services at a value of $10.00 per share, (the shares described in parts (iii)-(viii) collectively, the "**Vendor Shares**"), (ix) 600,601 shares of Common Stock issued to Atlantic Coastal Acquisition Management II LLC, a Delaware limited liability company (the "**Sponsor**"), in satisfaction of a working capital note issued to ACAB for aggregate consideration of approximately $2.0 million, or approximately $3.33 per share (the "**Additional Sponsor Shares**"), (x) 600,000 shares of Common Stock issued to Ian Chan, New Abpro's Chief Executive Officer, in satisfaction of an approximately $2.0 million promissory note of Abpro Corporation, a Delaware corporation ("**Abpro Corporation**"), at a value of $3.33 per share, (xi) an aggregate of 5,973,558 shares of Common Stock that were originally issued as ACAB's Series B common stock that were subsequently converted into ACAB's Series A common stock on April 18, 2023 (the "**Founder Shares**"), consisting of (A) 5,673,558 shares of Common Stock originally issued to the Sponsor at a value of $0.0035 per share, comprised of (w) 983,333 shares of which were transferred to Abpro Bio International, Inc. ("**Abpro Bio**") in connection with Closing (as defined below), (x) 983,333 shares of which were transferred to Abpro Corporation's designees in connection with Closing, (y) 825,225 shares of which were transferred to ACAB's designees in connection with Closing, and (z) 2,881,667 shares retained by the Sponsor, (B) 50,000 shares of Common Stock issued to Apeiron Investment Group Ltd. at a value of $7.25 per share, and (C) 250,000 shares of Common Stock transferred from the Sponsor to former directors of ACAB for no additional consideration on October 25, 2021, (xii) an aggregate of 9,498,900 shares of Common Stock issued as Merger Consideration (defined below) to officers and directors of the Company at a value of $10.00 per share, (xiii) up to 10,102,000 shares of Common Stock issuable pursuant to the Standby Equity Purchase Agreement (the "**SEPA**") with YA II PN, Ltd. ("**Yorkville**"), which represents the number of shares of Common Stock representing the Exchange Cap (as defined in the SEPA), including 297,160 shares of Common Stock issued to Yorkville as commitment shares pursuant to the terms of the SEPA (the "**Commitment Shares**"); and (b) the selling warrant holders named in this prospectus (including their permitted transferees, donees, pledgees and other successors-in-interest) (collectively, the "**Selling Warrantholders**" and, together with the Selling Shareholders and including their permitted transferees, the "**Selling Securityholders**") of up to an aggregate of 13,850,000 Placement Warrants.

As of the Effective Date, as defined in the SEPA, there were 50,535,272 shares of Common Stock outstanding, and therefore the Exchange Cap would be 10,102,000 shares of Common Stock. Thus we are registering the maximum amount that we could register without obtaining approval of stockholders in accordance with Nasdaq's "minimum price rule." However, if the Company desires to issue more than 10,102,000 shares of Common Stock at an average price per share that does not equal or exceed $4.31 (which represents the lower of (i) the Nasdaq Official Closing Price (as reflected on Nasdaq.com) immediately preceding the Effective Date; or (ii) the average Nasdaq Official Closing Price for the five trading days immediately preceding the Effective Date), it would be required to obtain stockholder approval under the Nasdaq listing rules.

On November 13, 2024, ACAB completed a series of transactions that resulted in the combination (the "**Business Combination**") of ACAB with Abpro Corporation pursuant to the previously announced Business Combination Agreement, dated December 11, 2023, amended by an amendment dated September 4, 2024 (the "**BCA**"), by and among ACAB, Abpro Merger Sub Corp., a Delaware corporation and a wholly owned subsidiary of ACAB ("**Merger Sub**"), and Abpro Corporation (the "**Closing**"), following the approval at the special meeting of the shareholders of ACAB held on November 7, 2024 (the "**Special Meeting**"). On November 12, 2024, pursuant to the BCA, and as described in greater detail in the Company's final prospectus and definitive proxy statement, which was filed with the U.S. Securities and Exchange Commission (the "**SEC**") on October 18, 2024 (the "**Proxy Statement/Prospectus**"), Merger Sub merged with and into Abpro Corporation, with Abpro Corporation surviving the merger as a wholly owned subsidiary of ACAB, and ACAB changed its name to Abpro Holdings, Inc. As consideration for the Business Combination, New Abpro issued to or reserved for Abpro Corporation shareholders an aggregate of approximately 50,000,000 shares of Common Stock, consisting of 39,123,200 shares of Common Stock issued to Abpro Corporation shareholders, and 10,872,400 shares of Common Stock reserved for issuance in connection with certain Abpro Corporation rollover RSUs and stock options (collectively, the "**Merger Consideration**"). In addition, New Abpro issued an aggregate of 3,367,401 shares of Common Stock to the PIPE investors in connection with the PIPE Offering, an aggregate of 1,282,852 Vendor Shares to various vendors in connection with the Closing, and Sponsor forfeited and New Abpro cancelled 966,442 shares of Common Stock.

Simultaneous with the Closing, New Abpro also completed its previously announced private investment in public equity, issuing 1,122,467 shares of Common Stock and 2,244,934 Incentive Shares in the PIPE Offering, which raised $7.0 million in gross proceeds.

As described herein, the Selling Securityholders named in this prospectus or their permitted transferees, may resell from time to time up to 31,785,312 shares of Common Stock and 13,850,000 Placement Warrants. We are registering the offer and sale of these securities to satisfy certain registration rights we have granted. The Selling Securityholders may offer, sell or distribute all or a portion of the securities hereby registered publicly or through private transactions at prevailing market prices or at negotiated prices. We will not receive any of the proceeds from such sales of our Common Stock or Placement Warrants, except with respect to amounts received by us upon the exercise of the Placement Warrants. We will bear all costs, expenses and fees in connection with the registration of these securities, including with regard to compliance with state securities or "blue sky" laws. The Selling Securityholders will bear all commissions and discounts, if any, attributable to their sale of Common Stock or Warrants. See section entitled "*Plan of Distribution*" beginning on page 150 of this prospectus.

We believe the likelihood that the warrant holders will exercise their Warrants, and therefore the amount of cash proceeds that we would receive is, among other things, dependent upon the market price of our Common Stock. If the market price for our Common Stock is less than the exercise price of $11.50, subject to adjustment as described herein, we believe such holders will be unlikely to exercise their Warrants, as applicable, For additional information, see "*Risks Related to an Investment in Our Securities*."

The Common Stock being registered for resale in this prospectus represent a substantial percentage of our public float and of our outstanding Common Stock. The number of shares being registered in this prospectus (which include shares issuable upon exercise of the Warrants and shares issuable pursuant to the SEPA) represents approximately 117.0% of the total Common Stock outstanding as of December 23, 2024, which was 51,815,765 shares of Common Stock. In addition, the securities beneficially owned by the Sponsor represent approximately 6.7% of the total Common Stock outstanding, and this holder will have the ability to sell all of its shares pursuant to the registration statement of which this prospectus forms a part so long as it is available for use and the six month lockup period has expired. The sale of the securities being registered in this prospectus, or the perception in the market that such sales may occur, could result in a significant decline in the public trading price of our Common Stock.

In addition, some of the shares being registered for resale were acquired by the Selling Securityholders for nominal consideration or purchased for prices considerably below the Business Combination price and the current market price of the Common Stock. Even though the current market price is significantly below the price at the time of the ACAB IPO, certain Selling Securityholders have an incentive to sell because they will still profit on sales due to the lower price at which they acquired their shares as compared to the public investors. In particular, the Sponsor may experience a positive rate of return on the securities it purchased due to the differences in the purchase prices described above, to the extent they acquired such securities for less than the relevant trading price, and the public securityholders may not experience a similar rate of return on the securities they purchased due to the differences in the purchase prices described above. Based on the last reported sale price of Common Stock referenced below, shares acquired for less than such last reported sale price, the Selling Securityholders may experience potential profit up to $1.49 per share.

Our Common Stock and our Public Warrants are listed on the Nasdaq Global Market under the symbols "ABP" and "ABPWW," respectively. On December 20, 2024, the closing price of our Common Stock was $2.07 and the closing price for our Public Warrants was $0.10.

We are an "emerging growth company" as defined under the federal securities laws and, as such, have elected to comply with certain reduced public company reporting requirements.

Investing in our Common Stock and Warrants is highly speculative and involves a high degree of risk. See the section entitled "*Risk Factors*" beginning on page 7 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2024

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the SEC using a "shelf" registration process. By using a shelf registration statement, the Selling Securityholders may sell up to 31,785,312 shares of Common Stock and up to 13,850,000 Warrants from time to time in one or more offerings as described in this prospectus. We will not receive any proceeds from the sale of Common Stock or Warrants by the Selling Securityholders. This prospectus also relates to the issuance by up to 28,850,000 shares of Common Stock upon the exercise of Warrants. We will receive the proceeds from any exercise of the Warrants for cash.

We may also file a prospectus supplement or post-effective amendment to the registration statement of which this prospectus forms a part that may contain material information relating to these offerings. The prospectus supplement or post-effective amendment, as the case may be, may add, update or change information contained in this prospectus with respect to such offering. If there is any inconsistency between the information in this prospectus and the applicable prospectus supplement or post-effective amendment, you should rely on the prospectus supplement or post-effective amendment, as applicable. Before purchasing any of the Common Stock or Warrants, you should carefully read this prospectus and any prospectus supplement and/or post-effective amendment, as applicable, together with the additional information described under "*Where You Can Find More Information*."

Neither we nor the Selling Securityholders have authorized anyone to provide you with any information or to make any representations other than those contained in this prospectus and any prospectus supplement and/or post-effective amendment, as applicable, prepared by or on behalf of us or to which we have referred you. We and the Selling Securityholders take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We and the Selling Securityholders will not make an offer to sell the Common Stock or Warrants in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus and any prospectus supplement and/or post-effective amendment, as applicable, is accurate only as of the date on the respective cover. Our business, prospects, financial condition or results of operations may have changed since those dates. This prospectus contains, and any prospectus supplement or post-effective amendment may contain, market data and industry statistics and forecasts that are based on independent industry publications and other publicly available information. Although we believe these sources are reliable, we do not guarantee the accuracy or completeness of this information and we have not independently verified this information. In addition, the market and industry data and forecasts that may be included in this prospectus and any prospectus supplement and/or post-effective amendment, as applicable, may involve estimates, assumptions and other risks and uncertainties and are subject to change based on various factors, including those discussed under "*Risk Factors*" in this prospectus and any prospectus supplement and/or post-effective amendment, as applicable. Accordingly, investors should not place undue reliance on this information.

FREQUENTLY USED TERMS

Unless otherwise stated in this prospectus, the terms "***we***," "***us***," "***our***" or "***New Abpro***" refer to Abpro Holdings, Inc., a Delaware corporation, and its consolidated subsidiaries. In addition, in this prospectus, unless otherwise noted or the context otherwise requires, references to:

"**ACAB**" are to Atlantic Coastal Acquisition Corp. II, a Delaware corporation;

"**ACAB IPO**" are to the initial public offering by ACAB which closed on January 19, 2022;

"**Abpro**" are to Abpro Corporation, a Delaware corporation;

"**Additional Sponsor Shares**" are to the 600,601 newly issued shares of Common Stock to be issued to the Sponsor at the Closing.

"**BCA**" or "**Business Combination Agreement**" are to the Business Combination Agreement, dated as of December 11, 2023, by and among ACAB, Merger Sub and Abpro, as amended;

"**Board**" are to the board of directors of New Abpro.

"**Business Combination**" are to the transactions contemplated by the BCA;

"**Bylaws**" are to the amended and restated bylaws of New Abpro, dated November 12, 2024;

"**Closing**" are to the closing of the Business Combination, which was completed on November 13, 2024;

"**Code**" are to the Internal Revenue Code of 1986, as amended;

"**Continental**" means Continental Stock Transfer & Trust Company, the transfer agent.

"**ACAB Common Stock**" are to Series A common stock and Series B common stock of ACAB;

"**Company Owners**" are to the stockholders of Abpro prior to the Closing;

"**DGCL**" are to the Delaware General Corporation Law, as amended;

"**Exchange Act**" are to the Securities Exchange Act of 1934, as amended;

"**Charter**" are to the second amended and restated certificate of incorporation of New Abpro, dated November 12, 2024;

"**Founder Shares**" are to (i) the one (1) share of ACAB's Series B common stock held by the Sponsor; (ii) the 7,499,999 shares of ACAB's Series B common stock that were converted by the Initial Stockholders into ACAB's Series A common stock on April 18, 2023; and (iii) ACAB's Series A common stock issued upon the automatic conversion of the one (1) share of ACAB's Series B common stock at the time of the Business Combination.

"**GAAP**" are to generally accepted accounting principles in the United States, as applied on a consistent basis;

"**Initial Stockholders**" are to the Sponsor, Apeiron Investment Group and certain directors of ACAB who hold Founder Shares as of the date of this prospectus;

"**Merger Sub**" are to Abpro Merger Sub Corp., a Delaware corporation;

"**New Abpro Incentive Plan**" are to the he Abpro Holdings, Inc. 2024 Equity Incentive Plan;

"**PIPE Offering**" are to the proposed issuance and sale to the Subscribers, on the Closing Date, of the PIPE Shares at an effective purchase price of $3.33 per share.

"**PIPE Shares**" are to the 3,367,401 newly issued shares of Common Stock (including the Incentive Shares) to be issued to the Subscribers pursuant to the Subscription Agreements in the PIPE Financing;

"**Placement Warrants**" are to ACAB's warrants issued to the Sponsor in a private placement simultaneously with the closing of the ACAB IPO;

"**Public Shares**" are to shares of ACAB's Series A common stock sold as part of the units in the ACAB IPO (whether they were purchased in the ACAB IPO or thereafter in the open market);

"**public stockholders**" are to the holders of ACAB's Public Shares, including the Sponsor and ACAB's directors and officers to the extent the Sponsor and ACAB's directors or officers purchase Public Shares; provided, that each of their status as a "public stockholder" shall only exist with respect to such Public Shares;

"**Public Warrants**" are to ACAB's warrants sold as part of the units in the ACAB IPO (whether they were purchased in the ACAB IPO or thereafter in the open market);

"**SEC**" are to the Securities and Exchange Commission;

"**Securities Act**" are to the Securities Act of 1933, as amended;

"**Series A common stock**" are to the Series A common stock, par value $0.0001 per share, of ACAB;

"**Series B common stock**" are to the Series B common stock, par value $0.0001 per share, of ACAB;

"**Sponsor**" are to Atlantic Coastal Acquisition Management II LLC, a Delaware limited liability company;

"**Sponsor Letter Agreement**" are to the Amended Sponsor Letter Agreement, dated January 18, 2024, among Abpro, ACAB, the Sponsor and Abpro Bio International, Inc.;

"**Subscription Agreements**" are to the Subscription Agreements, dated as of August 22, 2024, by and between ACAB and each of the subscribers, pursuant to which each such Subscriber agreed to purchase PIPE Shares;

"**VWAP**" are to volume weighted average price; and

"**Warrants**" are to the Public Warrants and the Placement Warrants.

Unless specified otherwise, amounts in this proxy statement/prospectus are presented in United States ("U.S.") dollars.

Defined terms in the financial statements contained in this proxy statement/prospectus have the meanings ascribed to them in the financial statements.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements, including statements about the anticipated benefits of the Business Combination, and the financial conditions, results of operations, earnings outlook and prospects of New Abpro and other statements about the period following the consummation of the Business Combination. Forward-looking statements appear in a number of places in this prospectus including, without limitation, in the sections titled "*New Abpro's Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Business of New Abpro*." In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. Forward-looking statements are typically identified by words such as "plan," "believe," "expect," "anticipate," "intend," "outlook," "estimate," "forecast," "project," "continue," "could," "may," "might," "possible," "potential," "predict," "should," "would" and other similar words and expressions, but the absence of these words does not mean that a statement is not forward-looking.

The forward-looking statements are based on the current expectations of the management of New Abpro and are inherently subject to uncertainties and changes in circumstances and their potential effects and speak only as of the date of such statement. There can be no assurance that future developments will be those that have been anticipated.

All subsequent written and oral forward-looking statements concerning the Business Combination or other matters addressed in this prospectus and attributable to New Abpro or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this prospectus. Except to the extent required by applicable law or regulation, New Abpro undertakes no obligation to update these forward-looking statements to reflect events or circumstances after the date of this prospectus or to reflect the occurrence of unanticipated events.

PROSPECTUS SUMMARY

This summary highlights certain information appearing elsewhere in this prospectus. Because it is only a summary, it does not contain all of the information that you should consider before investing in our Securities and it is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this prospectus. Before you decide to invest in our Securities, you should read the entire prospectus carefully, including "Risk Factors" and the financial statements of New Abpro and related notes thereto included elsewhere in this prospectus.

The Company

New Abpro is a biotechnology company dedicated to developing next-generation antibody therapeutics with the goal of improving the lives of patients with severe and life-threatening diseases. New Abpro is focused on novel antibody constructs for immuno-oncology and ophthalmology. By leveraging its proprietary DiversImmune® and MultiMab™ antibody discovery and engineering platforms, New Abpro is developing a pipeline of next-generation antibodies, both independently and through collaborations with global pharmaceutical and research institutions.

The Background

On November 13, 2024, ACAB completed a series of transactions that resulted in the combination (the "**Business Combination**") of ACAB with Abpro Corporation pursuant to the previously announced Business Combination Agreement, dated December 11, 2023, amended by an amendment dated September 4, 2024 (the "**BCA**"), by and among ACAB, Abpro Merger Sub Corp., a Delaware corporation and a wholly owned subsidiary of ACAB ("**Merger Sub**"), and Abpro Corporation (the "**Closing**"), following the approval at the special meeting of the shareholders of ACAB held on November 7, 2024 (the "**Special Meeting**"). On November 12, 2024, pursuant to the BCA, and as described in greater detail in the Company's final prospectus and definitive proxy statement, which was filed with the U.S. Securities and Exchange Commission (the "**SEC**") on October 18, 2024 (the "**Proxy Statement/Prospectus**"), Merger Sub merged with and into Abpro Corporation, with Abpro Corporation surviving the merger as a wholly owned subsidiary of ACAB, and ACAB changed its name to Abpro Holdings, Inc. As consideration for the Business Combination, New Abpro issued to or reserved for Abpro Corporation shareholders an aggregate of approximately 50,000,000 shares of Common Stock, consisting of 39,123,200 shares of Common Stock issued to Abpro Corporation shareholders, and 10,872,400 shares of Common Stock reserved for issuance in connection with certain Abpro Corporation rollover RSUs and stock options (collectively, the "**Merger Consideration**"). In addition, New Abpro issued an aggregate of 3,367,401 shares of Common Stock to the PIPE investors in connection with the PIPE Offering, an aggregate of 1,282,852 Vendor Shares to various vendors in connection with the Closing, and Sponsor forfeited and New Abpro cancelled 966,442 shares of Common Stock.

Simultaneous with the Closing, New Abpro also completed its previously announced private investment in public equity, issuing 1,122,467 shares of Common Stock and 2,244,934 Incentive Shares in the PIPE Offering, which raised $7.0 million in net proceeds.

Our Common Stock and our Public Warrants are listed on the Nasdaq Global Market under the symbols "ABP" and "ABPWW," respectively. On December 20, 2024, the closing price of our Common Stock was $2.07 and the closing price for our Public Warrants was $0.10.

There is no assurance that the holders of the Warrants will elect to exercise any or all of the Warrants, which could impact our liquidity position. To the extent that the Warrants are exercised on a "cashless basis," the amount of cash we would receive from the exercise of the Warrants will decrease. We believe the likelihood that Warrant holders will exercise their Warrants, and therefore the amount of cash proceeds that we would receive is, among other things, dependent upon the market price of our Common Stock. If the market price for our Common Stock is less than the applicable exercise price of $11.50, subject to adjustment as described herein, we believe such holders will be unlikely to exercise their Warrants. Based on our current operating plan, our existing cash and cash equivalents, together with the proceeds from the Business Combination and the PIPE Offering, will be insufficient to meet our anticipated cash needs for working capital, financial liabilities and capital expenditures for the next 12 months from the date of this filing. To finance our operations beyond that point, we would need to raise additional capital, which cannot be assured. The Company does not believe this offering will have a significant impact on our ability to raise additional financing, although it may impact the per share price and shares issued in any capital raise.

The Common Stock being registered for resale in this prospectus represent a substantial percentage of our public float and of our outstanding Common Stock. The number of shares being registered in this prospectus (which include shares issuable upon exercise of the Warrants and shares issuable pursuant to the SEPA) represents approximately 117.0% of the total Common Stock outstanding as of December 23, 2024, which was 51,815,765 shares of Common Stock. In addition, the securities beneficially owned by the Sponsor represent approximately 6.7% of the total Common Stock outstanding, and the Sponsor will have the ability to sell all of its shares pursuant to the registration statement of which this prospectus forms a part so long as it is available for use and the 12 month lockup has expired. The sale of the securities being registered in this prospectus, or the perception in the market that such sales may occur, could result in a significant decline in the public trading price of our Common Stock.

The rights of holders of our Common Stock and Warrants are governed by our second amended and restated certificate of incorporation (the "**Charter**") and our amended and restated bylaws (the "**Bylaws**") and the General Corporation Law of the State of Delaware (the "**DGCL**"), and in the case of the Warrants, the Public Warrant Agreement, dated January 13, 2022, by and between ACAB and Continental Stock Transfer & Trust Company (the "**Public Warrant Agreement**") and the Private Warrant Agreement, dated January 13, 2022, by and between ACAB and Continental Stock Transfer & Trust Company (the "**Private Warrant Agreement**"). See the section entitled "*Description of Capital Stock*."

Implications of Being an Emerging Growth Company

We are an "emerging growth company" as defined in Section 2(a) of the Securities Act of 1933, as amended (the "Securities Act"), as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). As an emerging growth company, we may benefit from specified reduced disclosure and other requirements that are otherwise applicable generally to public companies. These provisions include:

- presentation of only two years of audited financial statements and only two years of related management's discussion and analysis of financial condition and results of operations in this prospectus;
- reduced disclosure about our executive compensation arrangements;
- no non-binding stockholder advisory votes on executive compensation or golden parachute arrangements;
- exemption from any requirement of the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (i.e., an auditor discussion and analysis); and
- exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting.

We may benefit from these exemptions until we cease to be an emerging growth company. We will cease to be an emerging growth company upon the earliest of: (a) the last day of the fiscal year in which we have total annual gross revenues of $1.235 billion or more; (b) the last day of the fiscal year following the fifth anniversary of the date of the completion of the ACAB IPO; (c) the date on which we have issued more than $1 billion in nonconvertible debt during the previous three years; or (d) the date on which we are deemed to be a "large accelerated" filer under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). We may choose to benefit from some but not all of these reduced disclosure obligations in future filings. If we do, the information that we provide stockholders may be different than you might get from other public companies in which you hold stock.

Summary Risk Factors

You should consider all the information contained in this prospectus before making a decision to invest in our Securities. In particular, you should consider the risk factors described under "*Risk Factors*" beginning on page 7. Such risks include, but are not limited to, the following risks with respect to the Company subsequent to the Business Combination:

Risks Related to Our Business and Industry

- Our management has concluded that uncertainties around our ability to raise additional capital raise substantial doubt about our ability to continue as a going concern, including drug development;
- Drug development is a highly uncertain undertaking and involves a substantial degree of risk;
- Our product candidates are in early stages of development and have never been tested in a human subject. Our product candidates may fail in development or suffer delays that materially and adversely affect their commercial viability;
- The market may not be receptive to our product candidates based on our novel therapeutic modality, and we may not generate any revenue from the sale or licensing of product candidates;
- We will need substantial additional funds to advance development of our product candidates, and we cannot guarantee that we will have sufficient funds available in the future to develop and commercialize our current or future product candidates;
- Through our AbMed subsidiary, we have in-licensed certain intellectual property rights relating to ABP-201 from MedImmune Limited, or MedImmune (now AstraZeneca), and are in breach of the terms of our license agreement with MedImmune/AstraZeneca;
- We have entered, and may in the future seek to enter, into collaborations with third parties for the development and commercialization of our product candidates. If such collaborations are not successful, we may not be able to capitalize on the market potential of our product candidates;
- If our partners cease development efforts under our existing or future collaborations, or if any of those agreements is terminated, these collaborations may fail to lead to commercial products, and we may never receive milestone payments or future royalties under these agreements;
- If third parties on which we intend to rely on to conduct certain preclinical studies, or any future clinical trials, do not perform as contractually required, fail to satisfy regulatory or legal requirements or miss expected deadlines, our development program could be delayed with material and adverse effects on our business, financial condition, results of operations and prospects;
- Because we may rely on third-party manufacturing and supply partners for preclinical and clinical development materials, our supply may become limited or interrupted or may not be of satisfactory quantity or quality;
- We face competition from entities that have developed or may develop product candidates for the treatment of the diseases that we are initially targeting, including companies developing novel treatments and technology platforms;
- Any inability to attract and retain qualified key management, technical personnel and employees would impair our ability to implement our business plan; and
- Litigation and legal proceedings may substantially increase our costs and harm our business.

Risks Related to Intellectual Property

- If we are unable to obtain or protect intellectual property rights related to our technology and current or future product candidates, or if our intellectual property rights are inadequate, we may not be able to compete effectively;
- If we fail to comply with our obligations under any license, collaboration or other intellectual property related agreements, we may be required to pay damages and could lose intellectual property rights that are necessary for developing, commercializing and protecting our current or future technologies or product candidates or we could lose certain rights to grant sublicenses;
- Patent terms may be inadequate to protect our competitive position on our current or future technologies or product candidates for an adequate amount of time;
- We may not be able to protect our intellectual property rights throughout the world, which could negatively impact our business; and
- If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.

Risks Related to the Government Regulation

- Clinical development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results;
- We may be unable to obtain U.S. or foreign regulatory approval and, as a result, be unable to commercialize our product candidates, resulting in substantial harm to our business;
- We may in the future conduct clinical trials for current or future product candidates outside the United States, and the FDA and comparable foreign regulatory authorities may not accept data from such trials;
- Even if we receive regulatory approval for any of our product candidates, we will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense. Additionally, our product candidates, if approved, could be subject to labeling and other restrictions and market withdrawal and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our products;
- Healthcare legislative reform measures may have a material adverse effect on our business and results of operations;
- If we or existing or future partners, manufacturers or service providers fail to comply with healthcare laws and regulations, we or they could be subject to enforcement actions, which could affect our ability to develop, market and sell our products and may harm our reputation; and
- We are subject to U.S. and foreign anti-corruption and anti-money laundering laws with respect to our operations and non-compliance with such laws can subject us to criminal and/or civil liability and harm our business.

Risks Related to Our Organization and Structure

- Anti-takeover provisions in our governing documents and under Delaware law could make an acquisition of us more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our common stock;
- The Charter and the Bylaws provide that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees;

- New Abpro's management team may not successfully or efficiently manage its transition to being a public company; and
- New Abpro is an "emerging growth company," and its reduced SEC reporting requirements may make its shares less attractive to investors.

Risks Related to an Investment in Our Securities

- An active market for New Abpro's securities may not develop, which would adversely affect the liquidity and price of New Abpro's securities.;
- Failure to meet Nasdaq's continued listing requirements could result in a delisting of New Abpro's Common Stock and Public Warrants;
- The market price for New Abpro Common Stock may decline following the Business Combination;
- The Common Stock price may fluctuate and you could lose all or part of your investment as a result;
- New Abpro stockholders may experience dilution in the future;
- There is no guarantee that the Warrants will ever be in the money; they may expire worthless or the terms of Warrants may be amended; and
- The future exercise of registration rights may adversely affect the market price of the Common Stock.

Corporate Information

New Abpro's principal executive offices are located at 68 Cummings Park Drive, Woburn, MA 01801, and New Abpro's telephone number is 1-800-396-5890.

THE OFFERING

Issuer	Abpro Holdings, Inc.
Common Stock Offered by us	28,850,000 shares of Common Stock issuable upon the exercise of Warrants.
Common Stock Offered by the Selling Securityholders	Up to 31,785,312 shares of Common Stock.
Warrants Offered by the Selling Securityholders	Up to 13,850,000 Warrants.
Exercise Price of Warrants	$11.50 per share, subject to adjustment as defined herein.
Shares Outstanding Prior to Exercise of All Warrants as of December 23, 2024	51,815,765 shares.
Shares Outstanding Assuming Exercise of All Warrants as of December 23, 2024	80,665,765 shares.
Use of proceeds	We will not receive any proceeds from the sale of Common Stock or Warrants by the Selling Securityholders. We would receive up to an aggregate of approximately $331.8 million from the exercise of the warrants, assuming the exercise in full of all of such warrants for cash, however, it is not certain how many warrants would be exercised for cash or if at all. We expect to use the net proceeds from the exercise of any warrants for general corporate purposes. We believe the likelihood that Warrant holders will exercise their Warrants, and therefore the amount of cash proceeds that we would receive is, among other things, dependent upon the market price of our Common Stock. If the market price for our Common Stock is less than the exercise price of $11.50, we believe such holders will be unlikely to exercise their Warrants. See "*Use of Proceeds*."
Market for Common Stock and Public Warrants	Our Common Stock and our Public Warrants are listed on the Nasdaq Global Market under the symbols "ABP" and "ABPWW," respectively.
Risk factors	Any investment in the securities offered hereby is speculative and involves a high degree of risk. You should carefully consider the information set forth under "*Risk Factors*" and elsewhere in this prospectus.

In this prospectus, unless otherwise indicated, the number of Common Stock outstanding as of December 23, 2024 and the other information based thereon:

- Does not reflect 6,240,773 shares of Common Stock reserved for issuance under our New Abpro Incentive Plan;
- Does not reflect 10,236,980 shares of Common Stock issuable upon the exercise of rollover stock options as of November 13, 2024, originally issued by Abpro Corporation with a weighted-average exercise price of $1.70 per share; and
- Does not reflect the exercise of Warrants to purchase up to 28,850,000 shares of Common Stock.

RISK FACTORS

You should carefully consider all the following risk factors, together with all of the other information included or incorporated by reference in this prospectus, including the consolidated financial statements and the accompanying notes and matters addressed in the section titled "Cautionary Note Regarding Forward-Looking Statements," in evaluating an investment in the Common Stock or Warrants. The following risk factors apply to the business and operations of New Abpro and its consolidated subsidiaries. The occurrence of one or more of the events or circumstances described in these risk factors, alone or in combination with other events or circumstances, may adversely affect the ability to realize the anticipated benefits of the Business Combination and may have an adverse effect on the business, cash flows, financial condition and results of operations of New Abpro following the consummation of the Business Combination. We may face additional risks and uncertainties that are not presently known to us or that we currently deem immaterial, which may also impair our business, cash flows, financial condition and results of operations.

Risks Related to Our Business and Industry

Our management has concluded that uncertainties around our ability to raise additional capital raise substantial doubt about our ability to continue as a going concern, including drug development. We will require additional financing to fund our future operations. Any failure to obtain additional capital when needed on acceptable terms, or at all, could force us to delay, limit, reduce or terminate our operations.

We have concluded that we do not have sufficient cash to fund our operations and drug development and to meet our obligations as they become due within one year from the date that our consolidated financial statements are issued and as a result, there is substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern is an issue raised as a result of ongoing operating losses and a lack of financing commitments to meet cash requirements, and is subject to our ability to generate a profit or obtain appropriate financing from outside sources, including obtaining additional funding from the sale of our securities or obtaining loans from third parties where possible. We will need to raise additional capital to fund our operations and drug development. We cannot assure you that we will be able to raise additional capital on commercially reasonable terms or at all. The perception that we may not be able to continue as a going concern may materially limit our ability to raise additional funds through the issuance of new debt or equity securities or otherwise and no assurance can be given that sufficient funding will be available when needed to allow us to continue as a going concern. This perception may also make it more difficult to operate our business due to concerns about our ability to meet our contractual obligations. If we cannot continue as a going concern, we may have to liquidate our assets and may receive less than the value at which those assets are carried on our financial statements, and it is likely that our stockholders may lose some or all of their investment in us.

Drug development is a highly uncertain undertaking and involves a substantial degree of risk. We are a preclinical stage biopharmaceutical company with a history of losses, expect to continue to incur significant losses for the foreseeable future and may never achieve or maintain profitability, which could result in a decline in the market value of our common stock.

Pharmaceutical and biopharmaceutical product development is a highly speculative undertaking and involves a substantial degree of risk. We are a preclinical stage biopharmaceutical company with a history of losses. Since our inception, we have devoted our resources to the development of antibody product candidates, our technologies and our *DiversImmune*® and *MultiMab*™ platforms. We are not profitable and have had significant operating losses since our inception. As of September 30, 2024, we had an accumulated deficit of $109.5 million. For the nine months ended September 30, 2024 and the year ended December 31, 2023, our net loss was $3.9 million and $11.7 million, respectively. Substantially all of our losses have resulted from expenses incurred in connection with our collaboration agreements, research and development programs and from general and administrative costs associated with our operations. We continue to incur significant research and development ("R&D") and other expenses related to ongoing operations and expect to incur losses for the foreseeable future.

Preclinical studies and clinical trials are long, expensive and unpredictable processes that can be subject to extensive delays. We cannot guarantee that any clinical trials will be conducted as planned or completed on schedule, if at all. It may take several years and require significant expenditures to complete the preclinical studies and clinical trials necessary to commercialize a product candidate, and delays or failure are inherently unpredictable and can occur at any stage. We may also be required to conduct additional clinical trials or other testing of our product candidates beyond the trials and testing that we contemplate, which may lead to us incurring additional unplanned costs or result in delays in clinical development. In addition, we may be required to redesign or otherwise modify our plans with respect to an ongoing or planned clinical trial, and changing the design of a clinical trial can be expensive and time consuming. An unfavorable outcome in one or more trials would be a major setback for our product candidates and for us. An unfavorable outcome in one or more trials may require us to delay, reduce the scope of or eliminate one or more product development programs, which could have a material adverse effect on our business, financial position, results of operations and future growth prospects.

Our product candidates are in early stages of development, and we are subject to the risks of failure inherent in the development of product candidates based on novel technologies. We believe that we are at a sufficiently mature development stage with both lead candidates that given adequate funding and, in the case of ABP-102, continued successful collaboration with Celltrion, these programs would be able to enter clinical trials in 2026 (in the case of ABP-102 and ABP-201). However, there can be no guarantee that both or either will do so, and to date, we have not yet had any discussions with the U.S. Food and Drug Administration (the "FDA") regarding the clinical trial design for our lead product candidates. We have never generated any revenue from product sales, and have not obtained regulatory approval for any of our product candidates. Accordingly, you should consider our prospects in light of the costs, uncertainties, delays, and difficulties frequently encountered by preclinical stage biopharmaceutical companies such as ours. We currently do not expect to generate any near-term revenue other than from certain milestone payments under the collaboration agreements relating to our two lead antibodies. We do not expect to generate any revenue from product sales for the foreseeable future, and we expect to continue to incur significant operating losses for the foreseeable future due to the cost of research and development, preclinical studies and clinical trials, and the regulatory approval process for our product candidates. We expect our net losses to increase substantially as we enter into clinical development of our lead programs. However, the amount of our future losses is uncertain. Our ability to achieve profitability, if ever, will depend on, among other things, our, and our existing or future partners, successfully developing product candidates, obtaining regulatory approvals to market and commercialize product candidates, achieving contractual milestones under our collaboration agreements, manufacturing any approved products on commercially reasonable terms, realizing royalties on any approved products under our collaboration agreements, establishing a sales and marketing organization or suitable third-party alternatives for any approved product and raising sufficient funds to finance business activities. If we, and our existing or future partners, are unable to develop our technologies and commercialize one or more of our product candidates or if sales revenue from any product candidate that receives approval is insufficient, we will not achieve profitability, which will have a material and adverse effect on our business, financial condition, results of operations and prospects. Any predictions you make about our future success or viability may not be as accurate as they could be if we had a history of successfully developing and commercializing pharmaceutical products.

Our product candidates are in early stages of development and have never been tested in a human subject. Our product candidates may fail in development or suffer delays that materially and adversely affect their commercial viability.

We have no products on the market and all of our product candidates, including ABP-102, for the potential treatment of breast and gastric cancers, and ABP-201, for the potential treatment of wet age-related macular degeneration (Wet AMD) and diabetic macular edema (DME), have not yet entered clinical trials. In particular, none of our product candidates has ever been tested in a human subject. Our ability to achieve and sustain profitability depends on obtaining regulatory approvals for and successfully commercializing our product candidates, either alone or with third parties. Before obtaining regulatory approval for the commercial distribution of our product candidates, we or an existing or future partner must conduct extensive preclinical studies and clinical trials to demonstrate the safety and efficacy in humans of our product candidates.

We may not have the financial resources to continue development of, or to modify existing or enter into new collaborations for, a product candidate if we experience any issues that delay or prevent regulatory approval of, or our ability to commercialize, product candidates, including:

- negative or inconclusive results from our clinical trials or the clinical trials of others for product candidates similar to ours, leading to a decision or requirement to conduct additional preclinical studies or clinical trials or abandon a program;
- product-related side effects experienced by participants in our clinical trials or by individuals using drugs or therapeutic antibodies similar to our product candidates;
- delays in submitting investigational new drug applications (each an "IND") or comparable foreign applications or delays or failure in obtaining the necessary approvals from regulators to commence a clinical trial, or a suspension or termination of a clinical trial once commenced;
- conditions imposed by the FDA, or comparable foreign authorities regarding the scope or design of our clinical trials;
- delays in enrolling research subjects in clinical trials;
- high drop-out rates of research subjects;
- inadequate supply or quality of product candidate components or materials or other supplies necessary for the conduct of our clinical trials;
- greater than anticipated clinical trial costs;
- poor effectiveness of our product candidates during clinical trials;

- unfavorable FDA or other regulatory agency inspection and review of a clinical trial site;
- failure of our third-party contractors or investigators to comply with regulatory requirements or otherwise meet their contractual obligations in a timely manner, or at all; and
- delays and changes in regulatory requirements, policy and guidelines, including the imposition of additional regulatory oversight around clinical testing generally or with respect to our technology in particular; or
- varying interpretations of data by the FDA and similar foreign regulatory agencies.

Our approach to the discovery and development of our antibodies using our DiversImmune® and MultiMab™ may not result in a marketable therapeutic antibody product.

The scientific research that forms the basis of our efforts to discover product candidates based on our *DiversImmune®* and *MultiMab™* platforms is ongoing. Further, the scientific evidence to support the feasibility of developing therapeutic antibodies based on our platforms is both preliminary and limited. We may not be correct in our assumptions about the superiority of our platforms to competing technologies. If our *DiversImmune®* and *MultiMab™* platforms are not able to develop next-generation approved antibody constructs that are effective against clinically validated targets at the necessary speed or scale, it could have a material and adverse effect on our business, financial condition, results of operations and prospects.

Our next-generation bispecific antibodies may not demonstrate the therapeutic effects of, or benefits at least comparable to, monospecific antibodies that we anticipate once tested in humans.

None of our product candidates have been tested in humans. We may ultimately discover that our product candidates do not possess certain properties that we believe are helpful for therapeutic effectiveness, including strong binding for increased efficacy and increased binding sites for increased potency, and safety, including reduced immunogenicity and optimized binding domain position, or dosing, including a longer circulating half-life resulting in reduced dosing required. For example, when administered in a human, we may find that our product candidates perform differently than in preclinical studies. We currently have only limited preclinical data, and no conclusive evidence, to suggest that we can introduce these favorable properties into any of our product candidates. We may spend substantial funds attempting to introduce these properties and may never succeed in doing so. In addition, certain of our product candidates may demonstrate different chemical and pharmacological properties in patients than they do in laboratory studies. Although certain of our product candidates have successful results in animal studies, they may not demonstrate the same chemical and pharmacological properties in humans and may interact with human biological systems in unforeseen, ineffective or harmful ways. As a result, we may never succeed in developing a marketable product, we may not become profitable and the value of our common stock will decline.

Further, we are aware of only nine bispecific antibodies that have been approved by the FDA. As such, we believe the FDA has limited early experience with bispecific antibody-based therapeutics, which may increase the complexity, uncertainty and length of the regulatory approval process for our product candidates. For example, the FDA may require us to provide additional data to support our regulatory applications. We and our existing or future partners may never receive approval to market and commercialize any product candidate. Even if we or an existing or future partner obtains regulatory approval, the approval may be for targets, disease indications or patient populations that are not as broad as we intended or desired or may require labeling that includes significant use or distribution restrictions or safety warnings. We or an existing or future partner may be subject to post-marketing testing requirements to maintain regulatory approval. If any of our product candidates prove to be ineffective, unsafe or commercially unviable, our entire pipeline could have little, if any, value, which could require us to change our focus, approach to antibody development and reengineer the antibody. Any of these events could have a material and adverse effect on our business, financial condition, results of operations and prospects.

The market may not be receptive to our product candidates based on our novel therapeutic modality, and we may not generate any revenue from the sale or licensing of product candidates.

Even if regulatory approval is obtained for a product candidate, we may not generate or sustain revenue from sales of the product due to factors such as whether the product can be sold at a competitive cost and otherwise accepted in the market. The antibodies we are developing use relatively new technologies. Market participants with significant influence over acceptance of new treatments, such as physicians and third-party payors, may not adopt a product or treatment based on our platforms and technologies, and we may not be able to convince the medical community and third-party payors to accept and use, or to provide favorable reimbursement for, any product candidates developed by us or our existing or future partners. Market acceptance of our product candidates will depend on, among other factors:

- the timing of our receipt of any marketing and commercialization approvals;
- the terms of any approvals and the countries in which approvals are obtained;
- the safety and efficacy of our product candidates;
- the prevalence and severity of any adverse side effects associated with our product candidates;
- the limitations or warnings contained in any labeling approved by the FDA or other regulatory authority;
- the relative convenience and ease of administration of our product candidates;
- the willingness of patients to accept any new methods of administration;
- the success of our physician education programs;
- the availability of adequate government and third-party payor reimbursement;
- the pricing of our products, particularly as compared to alternative treatments; and
- the availability of alternative effective treatments for the disease indications our product candidates are intended to treat and the relative risks, benefits and costs of those treatments.

If any product candidate we commercialize fails to achieve market acceptance, it could have a material and adverse effect on our business, financial condition, results of operations and prospects.

We will need substantial additional funds to advance development of our product candidates, and we cannot guarantee that we will have sufficient funds available in the future to develop and commercialize our current or future product candidates.

The development of biopharmaceutical product candidates is capital-intensive. If our product candidates enter and advance through preclinical studies and clinical trials, we will need substantial additional funds to expand our development, regulatory, manufacturing, marketing and sales capabilities. We have used substantial funds to develop our technology and product candidates and will require significant additional funds to conduct further research and development and preclinical testing and clinical trials of our product candidates, to seek regulatory approvals for our product candidates and to manufacture and market products, if any, that are approved for commercial sale. In addition, we expect to incur additional costs associated with operating as a public company.

Because the length of time and activities associated with successful research and development of our product candidates is highly uncertain, we are unable to estimate the actual funds we will require for development and any approved marketing and commercialization activities. The timing and amount of our operating expenditures will depend largely on:

- the timing and progress of preclinical and clinical development activities;
- the number and scope of preclinical and clinical programs we decide to pursue;

- the progress of the development efforts of parties with whom we have entered or may in the future enter into collaboration and research and development agreements;
- the timing and amount of milestone or royalty payments we may receive under collaboration agreements;
- our ability to maintain our current licenses and research and development programs and to establish new collaborations;
- the costs involved in obtaining, maintaining, enforcing and defending patents and other intellectual property rights;
- the cost and timing of regulatory approvals; and
- our efforts to enhance operational systems and hire additional personnel, including personnel to support development of our product candidates and satisfy our obligations as a public company.

If we are unable to obtain funding on a timely basis or on acceptable terms, we may have to delay, reduce or terminate our research and development programs and preclinical studies or clinical trials, if any, limit strategic opportunities or undergo reductions in our workforce or other corporate restructuring activities. We also could be required to seek funds through arrangements with partners or others that may require us to relinquish rights to some of our technologies or product candidates that we would otherwise pursue on our own. We do not expect to realize revenue from sales of products or royalties from licensed products in the foreseeable future, if at all, and unless and until our product candidates are clinically tested, approved for commercialization and successfully marketed. To date, we have primarily financed our operations through the sale of debt and equity securities and payments received under our collaboration agreements. We will be required to seek additional funding in the future and currently intend to do so through additional collaborations, public or private equity offerings or debt financings, credit or loan facilities or a combination of one or more of these funding sources. Our ability to raise additional funds will depend on financial, economic and other factors, many of which are beyond our control. Additional funds may not be available to us on acceptable terms or at all. If we raise additional funds by issuing equity securities, our stockholders will suffer dilution and the terms of any financing may adversely affect the rights of our stockholders. In addition, as a condition to providing additional funds to us, future investors may demand, and may be granted, rights superior to those of existing stockholders. Debt financing, if available, is likely to involve restrictive covenants limiting our flexibility in conducting future business activities, and, in the event of insolvency, debt holders would be repaid before holders of our equity securities received any distribution of our corporate assets.

We may expend our limited resources to pursue a particular product candidate and fail to capitalize on product candidates that may be more profitable or for which there is a greater likelihood of success.

Because we have limited financial and managerial resources, we focus on specific product candidates. As a result, we may forgo or delay pursuit of opportunities with other product candidates that later prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities. Our spending on current and future research and development programs and product candidates for specific indications may not yield any commercially viable product candidates. If we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through partnership, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such product candidate.

Through our AbMed subsidiary, we have in-licensed certain intellectual property rights relating to ABP-201 from MedImmune Limited, or MedImmune (now AstraZeneca), and are in breach of the terms of our license agreement with MedImmune/AstraZeneca.

The license agreement with MedImmune/AstraZeneca provides for a research plan with target dates for an IND application (July 2021) and Phase II commencement (December 2022), These target dates were not met, which gives MedImmune/AstraZeneca a termination right. We communicated with Medimmune/AstraZeneca in September 2021 regarding the development timeline, but no further discussion has been held. We continue to provide annual development reports to MedImmune/AstraZeneca, most recently in January 2024.

We do not expect a material impact on our business if MedImmune/AstraZeneca terminates this agreement. This license was originally entered into in connection with the development of ABP-200, which we are no longer developing. We believe that we do not need the intellectual property licensed under that agreement for the development and eventual commercialization of ABP-201 or any of our other programs. The risks described elsewhere pertaining to our patents and other intellectual property rights also apply to the intellectual property rights that we license from third parties, and any failure by us or our licensors to obtain, maintain, defend and enforce these rights could have a material adverse effect on our business.

We have entered, and may in the future seek to enter, into collaborations with third parties for the development and commercialization of our product candidates. If such collaborations are not successful, we may not be able to capitalize on the market potential of our product candidates.

ABP-102 is being developed and commercialized through a worldwide strategic partnership with Celltrion Inc. ("**Celltrion**") (KRX:068270), a leading Korean biopharmaceutical company headquartered in Incheon, South Korea. ABP-201 is being developed and commercialized through a territorial partnership with Abpro Bio International, Inc. ("**Abpro Bio**"), a subsidiary of Abpro Bio Co. Ltd (KOSDAQ:195990), a company headquartered in Daegu, South Korea. ABP-150 is being developed under a collaboration agreement with Nanjing Chia Tai Tianqing Pharmaceutical Co., Ltd ("**NJCTTQ**"), headquartered in Nanjing, China.

We will continue to explore strategic and geographic-oriented partnerships that provide us with near-term economic benefits where we retain product rights to key strategic markets. More generally, we may also seek out third-party partners, such as biotech companies, pharmaceutical companies and distributors, for marketing, distribution, development, licensing or broader arrangements to complement our own capabilities.

Our ability to generate revenues from our existing collaborations for licensing and co-development of our product candidates and any future similar arrangements, will depend on our ability to successfully develop the product candidates and receive necessary product approvals for commercialization in the agreed territories. We have limited ability to control the actions of our joint development and any other third-party partners, and successful product development will depend to some extent on such third parties to perform the functions assigned to them in our contracts.

Collaborations involving our product candidates currently pose, and will continue to pose, the following risks to us:

- third parties have significant discretion in determining the efforts and resources that they will apply to these collaborations;
- third parties may not pursue development and commercialization of our product candidates or may elect not to continue or renew development or commercialization programs based on preclinical study or clinical trial results, changes in strategic focus or available funding, or external factors such as an acquisition that diverts resources or creates competing priorities;
- third parties may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial or abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing;
- third parties could independently develop, or develop with other third parties, products that compete directly or indirectly with our product candidate if the partners believe that competitive products are more likely to be successfully developed or can be commercialized under terms that are more economically attractive than ours;
- third parties with marketing and distribution rights to one or more products may not commit sufficient resources to the marketing and distribution of such product or products;

- third parties may not properly maintain, enforce or defend our intellectual property rights or may use our proprietary information in such a way as to invite litigation or other legal proceedings that could jeopardize, invalidate or render unenforceable our intellectual property or proprietary information or expose us to litigation, other legal proceedings or potential liability;

- third parties may infringe, misappropriate or violate the intellectual property rights of others, which may expose us to litigation, other legal proceedings and potential liability;

- third parties may engage in misconduct, including non-compliance with regulatory requirements, that may result in governmental investigations or other actions or lawsuits against us or the third party;

- disputes may arise between our third-party collaborators and our company that result in the delay or termination of the research, development or commercialization of our product candidate or that result in costly litigation or arbitration that diverts management attention and resources; and

- collaborations may be terminated and, if terminated, may result in a need for additional capital to pursue further development or commercialization of the applicable product candidates.

Collaboration agreements may not lead to development or commercialization of our product candidates in the most efficient manner or at all. If a partner of ours were to be involved in a business combination, the continued pursuit and emphasis on our product development or commercialization program could be delayed, diminished or terminated. Any failure of our existing and any future collaborations would negatively affect our business plans and strategy for our product candidate pipeline, which could have a material and adverse effect on our business, financial condition, results of operations and prospects.

If our partners cease development efforts under our existing or future collaborations, or if any of those agreements is terminated, these collaborations may fail to lead to commercial products, and we may never receive milestone payments or future royalties under these agreements.

A portion of our future revenue and cash resources is expected to be derived from our license and collaboration agreements. Revenue from these collaborations depends upon continuation of the collaborations, reimbursement of development costs, the achievement of milestones and royalties, if any, derived from future products developed from our research. If we are unable to successfully advance the development of our product candidates or achieve milestones, revenue and cash resources from milestone payments under our collaboration agreements will be substantially less than expected.

In addition, to the extent that any of our existing or future partners were to terminate a collaboration agreement, we may be forced to independently develop these product candidates, including funding preclinical studies or clinical trials, assuming marketing and distribution costs and maintaining, enforcing and defending intellectual property rights, or, in certain instances, abandon product candidates altogether, any of which could result in a change to our business plan and a material and adverse effect on our business, financial condition, results of operations and prospects.

We may not successfully engage in strategic transactions, including any additional collaborations we seek, which could adversely affect our ability to develop and commercialize product candidates, impact our cash position, increase our expense, and present significant distractions to our management.

From time to time, we may consider strategic transactions, such as additional collaborations, acquisitions of companies, asset purchases, joint ventures and out- or in-licensing of product candidates or technologies. In particular, we will evaluate and, if strategically attractive, seek to enter into additional collaborations, including with major biotechnology or biopharmaceutical companies or hospitals. The competition for partners is intense, and the negotiation process is time-consuming and complex. Any new collaboration may be on terms that are not optimal for us, and we may not be able to maintain any new collaboration if, for example, development or approval of a product candidate is delayed, sales of an approved product candidate do not meet expectations or the partner terminates the collaboration. Any such collaboration, or other strategic transaction, may require us to incur non-recurring or other charges, increase our near- and long-term expenditures and pose significant integration or implementation challenges or disrupt our management or business. These transactions would entail numerous operational and financial risks, including:

- exposure to unknown liabilities;

- disruption of our business and diversion of our management’s time and attention in order to manage a collaboration or develop acquired products, product candidates or technologies;

- incurrence of substantial debt or dilutive issuances of equity securities to pay transaction consideration or costs;
- higher than expected collaboration, acquisition or integration costs, write-downs of assets or goodwill or impairment charges, increased amortization expenses;
- difficulty and cost in facilitating the collaboration or combining the operations and personnel of any acquired business;
- impairment of relationships with key suppliers, manufacturers or customers of any acquired business due to changes in management and ownership; and
- the inability to retain key employees of any acquired business.

Accordingly, although there can be no assurance that we will undertake or successfully complete any transactions of the nature described above, any transactions that we do complete may be subject to the foregoing or other risks and have a material and adverse effect on our business, financial condition, results of operations and prospects. Conversely, any failure to enter any additional collaboration or other strategic transaction that would be beneficial to us could delay the development and potential commercialization of our product candidates and have a negative impact on the competitiveness of any product candidate that reaches market.

We may acquire assets or form strategic alliances in the future, and we may not realize the benefits of such acquisitions.

We may acquire additional technologies and assets, form strategic alliances or create joint ventures with third parties that we believe will complement or augment our existing business. If we acquire assets with promising markets or technologies, we may not be able to realize the benefit of acquiring such assets if we are unable to successfully integrate them with our existing technologies. We may encounter numerous difficulties in developing, manufacturing and marketing any new products resulting from a strategic alliance or acquisition that delay or prevent us from realizing their expected benefits or enhancing our business. We cannot assure you that, following any such acquisition, we will achieve the expected synergies to justify the transaction.

If third parties on which we intend to rely on to conduct certain preclinical studies, or any future clinical trials, do not perform as contractually required, fail to satisfy regulatory or legal requirements or miss expected deadlines, our development program could be delayed with material and adverse effects on our business, financial condition, results of operations and prospects.

We intend to rely on third-party clinical investigators, contract research organizations ("CROs"), clinical data management organizations and consultants to design, conduct, supervise and monitor certain preclinical studies of our product candidates and will do the same for any clinical trials. Because we intend to rely on these third parties and will not have the ability to conduct certain preclinical studies or clinical trials independently, we will have less control over the timing, quality and other aspects of such preclinical studies and clinical trials than we would have had we conducted them on our own. These investigators, CROs and consultants will not be our employees and we will have limited control over the amount of time and resources that they dedicate to our programs. These third parties may have contractual relationships with other entities, some of which may be our competitors, which may draw time and resources from our programs. The third parties with which we may contract might not be diligent, careful or timely in conducting our preclinical studies or clinical trials, resulting in the preclinical studies or clinical trials being delayed or unsuccessful.

If we cannot contract with acceptable third parties on commercially reasonable terms, or at all, or if these third parties do not carry out their contractual duties, satisfy legal and regulatory requirements for the conduct of preclinical studies or clinical trials or meet expected deadlines, our clinical development programs could be delayed and otherwise adversely affected. In all events, we will be responsible for ensuring that each of our preclinical studies and clinical trials are conducted in accordance with the general investigational plan and protocols for the trial. The FDA requires preclinical studies to be conducted in accordance with good laboratory practices, or GLPs, and clinical trials to be conducted in accordance with good clinical practices ("GCPs"), including for designing, conducting, recording and reporting the results of preclinical studies and clinical trials to ensure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of clinical trial participants are protected. Our reliance on third parties that we do not control will not relieve us of these responsibilities and requirements. Any adverse development or delay in our clinical trials could have a material and adverse effect on our business, financial condition, results of operations and prospects.

Because we may rely on third-party manufacturing and supply partners for preclinical and clinical development materials, our supply may become limited or interrupted or may not be of satisfactory quantity or quality.

We produce only small-scale quantities of our antibodies and reagents for characterization, in vivo and in vitro assessment. We may rely on third-party contract manufacturers to manufacture our preclinical and clinical trial product supplies. We do not currently own manufacturing facilities for producing such supplies. There can be no assurance that our preclinical or clinical development product supplies will not be limited or interrupted, or will be of satisfactory quality or continue to be available at acceptable prices. In particular, any replacement of our manufacturers could require significant effort and expertise because there may be a limited number of qualified replacements.

The manufacturing process for a product candidate is subject to FDA and foreign regulatory authority review. Suppliers and manufacturers must meet applicable manufacturing requirements and undergo rigorous facility and process validation tests required by regulatory authorities in order to comply with regulatory standards, such as current Good Manufacturing Practices ("cGMPs"). In the event that any of our manufacturers fails to comply with such requirements or to perform its obligations to us in relation to quality, timing or otherwise, or if our supply of components or other materials becomes limited or interrupted for other reasons, we may be forced to manufacture the materials ourselves, for which we currently do not have the capabilities or resources, or enter into an agreement with another third party, which we may not be able to do on reasonable terms, if at all. In some cases, the technical skills or technology required to manufacture our product candidates may be unique or proprietary to the original manufacturer and we may have difficulty transferring such skills or technology to another third party and a feasible alternative may not exist. These factors would increase our reliance on such manufacturer or require us to obtain a license from such manufacturer in order to have another third party manufacture our product candidates. If we are required to change manufacturers for any reason, we will be required to verify that the new manufacturer maintains facilities and procedures that comply with quality standards and with all applicable regulations and guidelines. The delays associated with the verification of a new manufacturer could negatively affect our ability to develop product candidates in a timely manner or within budget.

We expect to rely on third-party manufacturers if we receive regulatory approval for any product candidate. To the extent that we have existing, or enter into future, manufacturing arrangements with third parties, we will depend on these third parties to perform their obligations in a timely manner consistent with contractual and regulatory requirements, including those related to quality control and assurance. If we are unable to obtain or maintain third-party manufacturing for product candidates, or to do so on commercially reasonable terms, we may not be able to develop and commercialize our product candidates successfully. Our or a third party's failure to execute on our manufacturing requirements and comply with cGMPs could adversely affect our business in a number of ways, including:

- an inability to initiate or continue clinical trials of product candidates under development;
- delay in submitting regulatory applications, or receiving regulatory approvals, for product candidates;
- loss of the cooperation of an existing or future partner;

- subjecting third-party manufacturing facilities or our manufacturing facilities to additional inspections by regulatory authorities;
- requirements to cease distribution or to recall batches of our product candidates; and
- in the event of approval to market and commercialize a product candidate, an inability to meet commercial demands for our products.

Our third-party manufacturers may be unable to successfully scale manufacturing of our product candidates in sufficient quality and quantity, which would delay or prevent us from developing our product candidates and commercializing approved products, if any.

In order to conduct clinical trials, we will need to manufacture large quantities of our product candidates. We may use third parties for our manufacturing needs. Our manufacturing partners may be unable to successfully increase the manufacturing capacity for any of our product candidates in a timely or cost-effective manner, or at all. In addition, quality issues may arise during scale-up activities. If our manufacturing partners are unable to successfully scale the manufacture of our product candidates in sufficient quality and quantity, the development, testing, and clinical trials of that product candidate may be delayed or infeasible, and regulatory approval or commercial launch of any resulting product may be delayed or not obtained, which could significantly harm our business.

If the market opportunities for our product candidates are smaller than we believe they are, our future product revenues may be adversely affected and our business may suffer.

Our understanding of both the number of people who suffer from HER2+ breast and gastric cancers or other tumors that can be treated with VEGF inhibitors, is based on estimates. These estimates may prove to be incorrect and new studies may reduce the estimated incidence or prevalence of these diseases. The number of patients in the United States, Europe, or elsewhere may turn out to be lower than expected, may not be otherwise amenable to treatment with our product candidates or patients may become increasingly difficult to identify and access, all of which would adversely affect our business, financial condition, results of operations and prospects.

Further, there are several factors that could contribute to making the actual number of patients who receive our potential product candidates less than the potentially addressable market. These include the lack of widespread availability of, and limited reimbursement for, new therapies in many underdeveloped markets.

We face competition from entities that have developed or may develop product candidates for the treatment of the diseases that we are initially targeting, including companies developing novel treatments and technology platforms. If these companies develop technologies or product candidates more rapidly than we do or their technologies are more effective, our ability to develop and successfully commercialize product candidates may be adversely affected.

The development and commercialization of drugs and therapeutic biologics is highly competitive. We compete with a variety of multinational biopharmaceutical companies and specialized biotechnology companies, as well as technology being developed at universities and other research institutions. Our competitors are often larger and better funded. Our competitors have developed, are developing or will develop product candidates and processes competitive with our product candidates and processes. Competitive therapeutic treatments include those that have already been approved and accepted by the medical community and any new treatments that are currently in development or that enter the market. We believe that a significant number of products are currently under development, and may become commercially available in the future, for the treatment of conditions for which we may try to develop product candidates. There is intense and rapidly evolving competition in the biotechnology, biopharmaceutical and antibody and immunoregulatory therapeutics fields. We believe that while our *DiversImmune*® and *MultiMab*™ platforms, their associated intellectual property, the characteristics of our antibody product candidates in development, and our scientific and technical know-how give us a competitive advantage in this space, competition from many sources remains. Given the number of competitors, we strive to differentiate ourselves from them and contrast the perceived advantages of our technologies and product candidates. There is a risk that some of our competitors will take issue with our positioning and make allegations regarding our company or our business practices. Any such allegations could divert management's attention, which could have an adverse effect on our business.

We are aware of several companies that are developing antibodies for the treatment of cancer and autoimmune diseases. Many of these companies are well-capitalized and, in contrast to us, have significant clinical experience, and may include our existing or future partners. In addition, these companies compete with us in recruiting scientific and managerial talent. Our success will partially depend on our ability to develop and protect antibodies that are safer and more effective than competing products. Our commercial opportunity and success will be reduced or eliminated if competing products that are safer, more effective, or less expensive than the antibodies we develop.

We expect to compete with antibody developers, such as AnaptysBio, Inc., Bristol-Myers Squibb Company, Genmab A/S, Ichnos Glenmark Innovation, Janux Therapeutics, Regeneron Pharmaceuticals, Inc., Roche AG, and Xencor Inc. If our lead product candidates are approved, they will compete with a range of treatments that are either in development or currently marketed. For example, some of our product candidates will compete against traditional cancer therapies, such as chemotherapy, as well as immune-based treatments for cancer, such as CAR T and TCR therapies, developed or currently marketed by Bellicum Pharmaceuticals, Inc., Bluebird bio, Inc., Bristol-Myers Squibb Company, Cellectis S.A., Gilead Sciences, Inc., Novartis AG, Precigen, Inc., AstraZeneca and Genentech, Inc. (a member of the Roche Group, or Genentech/Roche).

Many of our competitors have significantly greater financial, technical, manufacturing, marketing, sales and supply resources or experience than we do. If we successfully obtain approval for any product candidate, we will face competition based on many different factors, including the safety and effectiveness of our products, the ease with which our products can be administered and the extent to which patients accept relatively new routes of administration, the timing and scope of regulatory approvals for these products, the availability and cost of manufacturing, marketing and sales capabilities, price, reimbursement coverage and patent position. Competing products could present superior treatment alternatives, including by being more effective, safer, less expensive or marketed and sold more effectively than any products we may develop. Competitive products may make any products we develop obsolete or noncompetitive before we recover the expense of developing and commercializing our product candidates. Such competitors could also recruit our employees, which could negatively impact our level of expertise and our ability to execute our business plan.

Any inability to attract and retain qualified key management, technical personnel and employees would impair our ability to implement our business plan.

Our success largely depends on the continued service of key management, advisors and other specialized personnel, including Ian Chan, our chief executive officer and co-founder, and Robert Markelewicz, our chief medical officer. We have entered into written employment agreement with Ian Chan and have an offer letter with Robert Markelewicz. The loss of one or more members of our executive team, management team or other key employees or advisors could delay our research and development programs and have a material and adverse effect on our business, financial condition, results of operations and prospects.

The relationships that our key managers have cultivated within our industry make us particularly dependent upon their continued employment with us. We are dependent on the continued service of our technical personnel because of the highly technical nature of our product candidates and technologies and the specialized nature of the regulatory approval process. Because our management team and key employees are not obligated to provide us with continued service, they could terminate their employment with us at any time without penalty. Our future success will depend in large part on our continued ability to attract and retain other highly qualified scientific, technical and management personnel, as well as personnel with expertise in clinical testing, manufacturing, governmental regulation and commercialization. We face competition for personnel from other companies, universities, public and private research institutions, government entities and other organizations.

As of December 23, 2024, we had 6 full-time employees, one full-time contractor, one part-time contractor, and 7 furloughed employees. Our focus on the development of our product candidates will require adequate staffing. We may need to hire and retain new employees to execute our future clinical development and manufacturing plans. We cannot provide assurance that we will be able to hire and/or retain adequate staffing levels to develop our product candidates or run our operations and/ or to accomplish all of our objectives.

We may experience difficulties in managing our growth and expanding our operations.

We have limited experience in product development and have not begun clinical trials for any of our product candidates. As our product candidates enter and advance through preclinical studies and any clinical trials, we will need to expand our development, regulatory and manufacturing capabilities or contract with other organizations to provide these capabilities for us. We may also experience difficulties in the discovery and development of new antibody product candidates using our *DiversImmune*® and *MultiMab*™ platforms if we are unable to meet demand as we grow our operations. In the future, we also expect to have to manage additional relationships with collaborators, suppliers and other organizations. Our ability to manage our operations and future growth will require us to continue to improve our operational, financial and management controls, reporting systems and procedures. We may not be able to implement improvements to our management information and control systems in an efficient or timely manner and may discover deficiencies in existing systems and controls.

If any of our product candidates is approved for marketing and commercialization and we are unable to develop sales, marketing and distribution capabilities on our own or enter into agreements with third parties to perform these functions on acceptable terms, we will be unable to commercialize successfully any such future products.

We currently have no sales, marketing or distribution capabilities or experience. If any of our product candidates is approved, we will need to develop internal sales, marketing and distribution capabilities to commercialize such products, which would be expensive and time-consuming, or enter into partnerships with third parties to perform these services. If we decide to market our products directly, we will need to commit significant financial and managerial resources to develop a marketing and sales force with technical expertise and supporting distribution, administration and compliance capabilities. If we rely on third parties with such capabilities to market our products or decide to co-promote products with partners, we will need to establish and maintain marketing and distribution arrangements with third parties, and there can be no assurance that we will be able to enter into such arrangements on acceptable terms or at all. In entering into third-party marketing or distribution arrangements, any revenue we receive will depend upon the efforts of the third parties and there can be no assurance that such third parties will establish adequate sales and distribution capabilities or be successful in gaining market acceptance of any approved product. If we are not successful in commercializing any product approved in the future, either on our own or through third parties, our business, financial condition, results of operations and prospects could be materially and adversely affected.

Our future growth may depend, in part, on our ability to operate in foreign markets, where we would be subject to additional regulatory burdens and other risks and uncertainties.

Our future growth may depend, in part, on our ability to develop and commercialize our product candidates in foreign markets for which we may rely on partnership with third parties. We are not permitted to market or promote any of our product candidates before we receive regulatory approval from the applicable regulatory authority in that foreign market, and we may never receive such regulatory approval for any of our product candidates. To obtain separate regulatory approval in many other countries, we must comply with numerous and varying regulatory requirements of such countries regarding safety and efficacy and governing, among other things, clinical trials and commercial sales, pricing and distribution of our product candidates, and we cannot predict success in these jurisdictions. If we obtain approval of our product candidates and ultimately commercialize our product candidates in foreign markets, we would be subject to the risks and uncertainties, including the burden of complying with complex and changing foreign regulatory, tax, accounting and legal requirements and the reduced protection of intellectual property rights in some foreign countries.

Price controls imposed in foreign markets may adversely affect our future profitability.

In some countries, particularly member states of the European Union, the pricing of prescription drugs is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time after receipt of marketing approval for a product. In addition, there can be considerable pressure by governments and other stakeholders on prices and reimbursement levels, including as part of cost containment measures. Political, economic and regulatory developments may further complicate pricing negotiations, and pricing negotiations may continue after reimbursement has been obtained. Reference pricing used by various European Union member states and parallel distribution, or arbitrage between low-priced and high-priced member states, can further reduce prices. In some countries, we or future partners may be required to conduct a clinical trial or other studies that compare the cost-effectiveness of our antibody product candidates to other available therapies in order to obtain or maintain reimbursement or pricing approval. Publication of discounts by third-party payors or authorities may lead to further pressure on the prices or reimbursement levels within the country of publication and other countries. If reimbursement of any product candidate approved for marketing is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our business, financial condition, results of operations or prospects could be materially and adversely affected.

If any of our product candidates receives marketing approval and we or others later identify undesirable side effects caused by the product candidate, our ability to market and derive revenue from the product candidates could be compromised.

Undesirable side effects caused by our product candidates could cause regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA or other regulatory authorities. While we have not yet initiated clinical trials for any of our product candidates, it is likely that there may be side effects associated with their use. Results of our trials could reveal a high and unacceptable severity and prevalence of these or other side effects. In such an event, our trials could be suspended or terminated and the FDA or comparable foreign regulatory authorities could order us to cease further development of or deny approval of our product candidates for any or all targeted indications. Such side effects could also affect patient recruitment or the ability of enrolled patients to complete the trial or result in potential product liability claims. Any of these occurrences may materially and adversely affect our business, financial condition, results of operations and prospects.

Further, clinical trials by their nature utilize a sample of the potential patient population. With a limited number of patients and limited duration of exposure, rare and severe side effects of our product candidates may only be uncovered with a significantly larger number of patients exposed to the product candidate.

In the event that any of our product candidates receive regulatory approval and we or others identify undesirable side effects caused by one of our products, any of the following adverse events could occur, which could result in the loss of significant revenue to us and materially and adversely affect our results of operations and business:

- regulatory authorities may withdraw their approval of the product or seize the product;
- we may be required to recall the product or change the way the product is administered to patients;
- additional restrictions may be imposed on the marketing of the particular product or the manufacturing processes for the product or any component thereof;
- we may be subject to fines, injunctions or the imposition of civil or criminal penalties;
- regulatory authorities may require the addition of labeling statements, such as a “black box” warning or a contraindication;
- we may be required to create a medication guide outlining the risks of such side effects for distribution to patients;
- we could be sued and held liable for harm caused to patients;
- the product may become less competitive; and
- our reputation may suffer.

Litigation and legal proceedings may substantially increase our costs and harm our business.

We have been, are, and may in the future become, party to lawsuits and legal proceedings including, without limitation, actions and proceedings in the ordinary course of business relating to our collaboration partners, directors, officers, stockholders, intellectual property rights, employment matters and the safety or efficacy of our products, which will cause us to incur legal fees and other costs related thereto, including potential expenses for the reimbursement of legal fees of officers and directors under indemnification obligations. See “*Legal Proceedings*.”

The expense of defending against such litigation and legal proceedings may be significant and there can be no assurance that we will be successful in any defense. Further, the amount of time that may be required to resolve such lawsuits or legal proceedings is unpredictable, and these actions may divert management's attention from the day-to-day operations of our business, which could adversely affect our business, results of operations, and cash flows. Our insurance carriers may deny coverage, may be inadequately capitalized to pay on valid claims, or our policy limits may be inadequate to fully satisfy any damage awards or settlements. If this were to happen, the payment of any such awards could have a material adverse effect on our consolidated operations, cash flows and financial position. Additionally, any such claims, whether or not successful, could damage our reputation and business. Litigation and legal proceedings are subject to inherent uncertainties, and an adverse result in such matters that may arise from time to time could have a material adverse effect on our business, results of operations, and financial condition.

Our business entails a significant risk of product liability and our ability to obtain sufficient insurance coverage could have a material and adverse effect on our business, financial condition, results of operations and prospects.

As we move into conducting clinical trials of our product candidates, we will be exposed to significant product liability risks inherent in the development, testing, manufacturing and marketing of antibody treatments. Product liability claims could delay or prevent completion of our development programs. If we succeed in marketing products, such claims could result in an FDA investigation of the safety and effectiveness of our products, our manufacturing processes and facilities or our marketing programs and potentially a recall of our products or more serious enforcement action, limitations on the approved indications for which they may be used or suspension or withdrawal of approvals. Regardless of the merits or eventual outcome, liability claims may also result in decreased demand for our products, injury to our reputation, costs to defend the related litigation, a diversion of management's time and our resources, substantial monetary awards to trial participants or patients and a decline in our stock price. We currently do not have product liability insurance and will need to obtain such insurance prior to marketing any of our product candidates. Any insurance we have or may obtain may not provide sufficient coverage against potential liabilities. Furthermore, clinical trial and product liability insurance is becoming increasingly expensive. As a result, our partners or we may be unable to obtain sufficient insurance at a reasonable cost to protect us against losses caused by product liability claims that could have a material and adverse effect on our business, financial condition, results of operations and prospects.

Our employees, principal investigators, consultants and commercial partners may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements.

We are exposed to the risk of fraud, waste, abuse or other misconduct by our employees, principal investigators, consultants and commercial partners. Misconduct by employees could include intentional failures to comply with FDA regulations, provide accurate information to the FDA, comply with manufacturing standards we may establish, comply with federal and state healthcare fraud and abuse laws and regulations, report financial information or data accurately or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, kickbacks, self-dealing and other wasteful or abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Such misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. It is not always possible to identify and deter misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a material and adverse effect on our business, financial condition, results of operations and prospects, including the imposition of significant criminal, civil, and administrative fines or other sanctions, such as monetary penalties, damages, fines, disgorgement, individual imprisonment, exclusion from participation in government funded healthcare programs, such as Medicare and Medicaid, integrity obligations, reputational harm, and the curtailment or restructuring of our operations.

Our internal computer systems, or those of CROs or other contractors or consultants we currently use or may use in the future, may fail or suffer security breaches, which could result in a material disruption of our product development programs.

Our internal computer systems and those of CROs and other contractors and consultants we use or may use in the future, may be vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. Such events could cause interruptions of our operations. For instance, the loss of preclinical data or data from any future clinical trial involving our product candidates could result in delays in our development and regulatory filing efforts and significantly increase our costs. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data, or inappropriate disclosure of confidential or proprietary information, we could incur liability and the development of our product candidates could be delayed.

Our information technology systems could face serious disruptions that could adversely affect our business.

Our information technology and other internal infrastructure systems, including corporate firewalls, servers, leased lines and connection to the Internet, face the risk of systemic failure that could disrupt our operations. A significant disruption in the availability of our information technology and other internal infrastructure systems could cause interruptions and delays in our research and development work.

If we do not comply with laws regulating the protection of the environment and health and human safety, our business could be adversely affected.

Our research, development and manufacturing involve the use of hazardous materials and various chemicals. We maintain quantities of various flammable and toxic chemicals in our facilities that are required for our research, development and manufacturing activities. We are subject to federal, state and local laws and regulations governing the use, manufacture, storage, handling and disposal of these hazardous materials. We believe our procedures for storing, handling and disposing these materials in our facilities comply with the relevant guidelines of the Commonwealth of Massachusetts and the Occupational Safety and Health Administration of the U.S. Department of Labor. Although we believe that our safety procedures for handling and disposing of these materials comply with the standards mandated by applicable regulations, the risk of accidental contamination or injury from these materials cannot be eliminated. If an accident occurs, we could be held liable for resulting damages, which could be substantial. We are also subject to numerous environmental, health and workplace safety laws and regulations, including those governing laboratory procedures, exposure to blood-borne pathogens and the handling of animals and biohazardous materials. Although we maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of these materials, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage or disposal of biological or hazardous materials. Additional federal, state and local laws and regulations affecting our operations may be adopted in the future. We may incur substantial costs to comply with, and substantial fines or penalties if we violate, any of these laws or regulations.

Our current operations are concentrated across two locations in close proximity, and we or the third parties upon whom we depend may be adversely affected by natural disasters and we may not be adequately protected from a serious disaster.

Our current operations are concentrated across two locations in close proximity outside of Boston, Massachusetts. Any unplanned event, such as flood, fire, explosion, extreme weather condition, medical epidemics, power shortage, telecommunication failure or other natural or manmade accidents or incidents that result in us being unable to fully utilize our facilities, or the manufacturing facilities of our third-party contract manufacturers, may have a material and adverse effect on our ability to operate our business, particularly on a daily basis, and have significant negative consequences on our financial and operating conditions. Loss of access to these facilities may result in increased costs, delays in the development of our product candidates or interruption of our business operations. Natural disasters such as snowstorms or hurricanes could further disrupt our operations, and have a material and adverse effect on our business, financial condition, results of operations and prospects. If a natural disaster, power outage or other event occurred that prevented us from using all or a significant portion of our headquarters, that damaged critical infrastructure, such as our research facilities or the manufacturing facilities of our third-party contract manufacturers, or that otherwise disrupted operations, it may be difficult or, in certain cases, impossible, for us to continue our business for a substantial period of time. We do not currently have disaster recovery and business continuity plans in place and this may have adverse consequences in the event of a serious disaster or similar event. As a result, we may incur substantial expenses, which could have a material adverse effect on our business. As part of our risk management policy, we maintain insurance coverage at levels that we believe are appropriate for our business. However, in the event of an accident or incident at these facilities, we cannot assure you that the amounts of insurance will be sufficient to satisfy any damages and losses. If our facilities, or the manufacturing facilities of our third-party contract manufacturers, are unable to operate because of an accident or incident or for any other reason, even for a short period of time, any or all of our research and development programs may be harmed. Any business interruption may have a material and adverse effect on our business, financial condition, results of operations and prospects.

Risks Related to our Intellectual Property

If we are unable to obtain or protect intellectual property rights related to our technology and current or future product candidates, or if our intellectual property rights are inadequate, we may not be able to compete effectively.

Our success depends in part on our ability to obtain and maintain protection with respect to our owned and in-licensed intellectual property and proprietary technology. We rely on patents and other forms of intellectual property rights, including in-licenses of intellectual property rights of others, to protect our current or future platforms, product candidates, methods used to manufacture our current or future product candidates and methods for treating patients using our current or future product candidates.

We cannot predict whether any future patent applications will result in the issuance of patents that effectively protect any of our product candidates or will effectively prevent others from commercializing competitive products.

We also rely on our ability to preserve our trade secrets, to prevent third parties from infringing, misappropriating or violating our proprietary rights and to operate without infringing, misappropriating or violating the proprietary rights of others. The patent prosecution process is expensive, complex and time-consuming, and we may not be able to file, prosecute, maintain, enforce or license all necessary or desirable patents and patent applications at a reasonable cost or in a timely manner.

It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. The patent applications that we own or in-license may fail to result in issued patents, and, even if they do issue as patents, such patents may not cover our current or future technologies or product candidates in the United States or in other countries or provide sufficient protection from competitors. In addition, the coverage claimed in a patent application can be significantly reduced before the patent is issued and its scope can be reinterpreted after issuance. There is no assurance that all of the potentially relevant prior art relating to our owned or in-licensed patents and patent applications has been found, which can invalidate a patent or prevent a patent from issuing from a pending application. Even if patents do successfully issue and even if such patents cover our current or any future technologies or product candidates, third parties may challenge their validity, enforceability or scope, which may result in such patents being narrowed, invalidated or held unenforceable. Any successful challenge to these patents or any other patents owned by or licensed to us could deprive us of rights necessary for the successful commercialization of any current or future technologies or product candidates that we may develop.

If patent applications we own or have in-licensed with respect to our development programs and current or future technologies or product candidates fail to issue, if their breadth or strength of protection is threatened, or if they fail to provide meaningful exclusivity, it could dissuade companies from collaborating with us to develop current or future technologies or product candidates, and threaten our ability to commercialize current or future products. Any such outcome could have a material adverse effect on our business, financial condition, results of operations and prospects.

The patent positions of biopharmaceutical companies are generally uncertain because they involve complex legal and factual considerations and have, in recent years, been the subject of much legislation and litigation. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. The standards applied by the United States Patent and Trademark Office, or USPTO, and foreign patent offices in granting patents are not always applied uniformly or predictably. For example, there is no uniform worldwide policy regarding patentable subject matter or the scope of claims allowable in patents. In addition, changes in either the patent laws or interpretation of the patent laws in the United States and other countries may diminish the value of our owned or in-licensed patents or narrow the scope of our patent protection. Publications of discoveries in scientific literature often lag behind the actual discoveries and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Therefore, we cannot know with certainty whether we or our licensors were the first to make the inventions claimed in our owned or in-licensed patents or pending applications, or that we or our licensors were the first to file for patent protection of such inventions. There is no assurance that all potentially relevant prior art relating to our owned or in-licensed patents and patent applications has been found. We may be unaware of prior art that could be used to invalidate an issued patent or prevent our owned or in-licensed pending patent applications from issuing as patents.

The filing of a patent application or the issuance of a patent is not conclusive as to its ownership, inventorship, scope, patentability, validity, or enforceability, and patents and patent applications may be challenged in the courts in the patent office in the Unites States and abroad. For example, we or our licensors may be subject to a third-party pre-issuance submission of prior art to the USPTO or become involved in opposition, derivation, reexamination, inter partes review, post-grant review, or interference proceedings, declaratory judgment actions or counterclaims challenging our owned or in-licensed patent rights or the rights of others. An adverse determination in any such submission, proceeding, or litigation could prevent the issuance of, reduce the scope of, invalidate, or render unenforceable our owned or in-licensed patent rights, limit our ability to stop others from using or commercializing similar or identical platforms and products, allow third parties to compete directly with us, without payment to us, or result in our inability to manufacture or commercialize products without infringing third-party patent rights. In addition, if the breadth or strength of protection provided by our owned or in-licensed patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop, or commercialize current or future platforms or product candidates. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

Any failure to obtain or any loss of patent protection could have a material adverse impact on our business, financial condition, results of operations and prospects. We may be unable to prevent competitors from entering the market with a product that is similar to or the same as our current or future product candidates.

Moreover, some of our owned and in-licensed patents and patent applications may in the future be co-owned with third parties. If we are unable to obtain an exclusive license to any such third-party co-owners' interest in such patents or patent application, such co-owners may be able to license their rights to other third parties, including our competitors, and our competitors could market competing products and technology. In addition, we may need the cooperation of any such co-owners of our patents in order to enforce such patents against third parties, and such cooperation may not be provided to us. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects.

Furthermore, our owned and in-licensed patents may be subject to a reservation of rights by one or more third parties. For example, we in-license certain patent rights covering ABP-110 from the National Cancer Institute, or NCI, a division of the National Institutes of Health, or NIH. As a result, the U.S. government may have certain rights, including so-called march-in rights, to such patent rights and any products or technology developed from such patent rights. When new technologies are developed with U.S. government funding, the U.S. government generally obtains certain rights in any resulting patents, including a non-exclusive license authorizing the U.S. government to use the invention for non-commercial purposes. These rights may permit the U.S. government to disclose our confidential information to third parties and to exercise march-in rights to use or allow third parties to use our licensed technology. The U.S. government can exercise its march-in rights if it determines that action is necessary because we fail to achieve the practical application of government-funded technology, because action is necessary to alleviate health or safety needs, to meet requirements of federal regulations, or to give preference to U.S. industry. In addition, our rights in such inventions may be subject to certain requirements to manufacture products embodying such inventions in the United States. Any exercise by the U.S. government of such rights could harm our competitive position, business, financial condition, results of operations, and prospects.

If we fail to comply with our obligations under any license, collaboration or other intellectual property related agreements, we may be required to pay damages and could lose intellectual property rights that are necessary for developing, commercializing and protecting our current or future technologies or product candidates or we could lose certain rights to grant sublicenses.

We are heavily reliant upon licenses to certain patent rights and proprietary technology from third parties that are important or necessary to the development of our technologies and product candidates. Our current license agreements impose, and any future license agreements we enter into are likely to impose, various development, commercialization, funding, milestone, royalty, diligence, sublicensing, insurance, patent prosecution and enforcement and/or other obligations on us. We previously were party to an Exclusive License Agreement with Memorial Sloan Kettering Cancer Center ("MSK"), which was terminated by MSK in September 2023 for our failure to fulfil our payment obligations to MSK. MSK has demanded payments totaling approximately $1.2 million. We have contacted MSK about possible settlement and have responded to a counterproposal received from MSK in February 2024, and are continuing discussions. See "*Legal Proceedings*" for more information. We are in breach of our obligations under our license agreement with MedImmune/AstraZeneca. See " — *Through our AbMed subsidiary, we have in-licensed certain intellectual property rights relating to ABP-201 from MedImmune Limited, or MedImmune (now AstraZeneca), and are in breach of the terms of our license agreement with MedImmune/AstraZeneca*." Our breach of this license agreement or breach of any other license agreement, or the use of intellectual property licensed to us in an unauthorized manner, may require us to pay damages and the licensor may have the right to terminate the license, which could result in us being unable to develop, manufacture and sell products that are covered by the licensed technology or enable a competitor to gain access to the licensed technology. In certain circumstances, our licensed patent rights are subject to our reimbursing our licensors for their patent prosecution and maintenance costs.

Furthermore, we may not have the right to control the preparation, filing, prosecution, maintenance, enforcement, and defense of patents and patent applications that we license from third parties. For example, pursuant to each of our intellectual property licenses with MedImmune, and NCI, our licensors retain control of preparation, filing, prosecution, and maintenance, and, in certain circumstances, enforcement and defense of the patents and patent applications. Therefore, we cannot be certain that these patents and patent applications will be prepared, filed, prosecuted, maintained, enforced, and defended in a manner consistent with the best interests of our business. If our licensors fail to prosecute, maintain, enforce, and defend such patents, or lose rights to those patents or patent applications, the rights we have licensed may be reduced or eliminated, and our right to develop and commercialize any of our products or product candidates that are subject of such licensed rights could be materially adversely affected.

Moreover, our licensors may own or control intellectual property that has not been licensed to us and, as a result, we may be subject to claims, regardless of their merit, that we are infringing, misappropriating or otherwise violating the licensor's intellectual property rights. In addition, while we cannot currently determine the amount of the royalty obligations we would be required to pay on sales of future products, if any, the amounts may be significant. The amount of our future royalty obligations will depend on the technology and intellectual property we use in products that we successfully develop and commercialize, if any. Therefore, even if we successfully develop and commercialize products, we may be unable to achieve or maintain profitability.

In addition, the agreements under which we currently license intellectual property or technology from third parties are complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or increase what we believe to be our financial or other obligations under the relevant agreement, either of which could have a material adverse effect on our business, financial condition, results of operations, and prospects. Moreover, if disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on commercially acceptable terms, we may be unable to successfully develop and commercialize the affected product candidates, which could have a material adverse effect on our business, financial conditions, results of operations, and prospects.

Patent terms may be inadequate to protect our competitive position on our current or future technologies or product candidates for an adequate amount of time.

Patents have a limited lifespan. In the United States, the standard expiration of a patent is generally 20 years after it is filed. Various extensions may be available. However, the life of a patent and the protection it affords is limited. As a result, our owned and in-licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours. For example, given the large amount of time required for the research, development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. In the United States, the Drug Price Competition and Patent Term Restoration Act of 1984 permits a patent term extension of up to five years beyond the normal expiration of the patent, which is limited to the approved indication (or any additional indications approved during the period of extension). Additionally, a patent term extension cannot extend the remaining term of a patent beyond 14 years from the date of product approval, only one patent may be extended and only those claims covering the approved drug, a method for using it, or a method for manufacturing it may be extended. However, the applicable authorities, including the FDA and the USPTO in the United States, and any equivalent regulatory authority in other countries, may not agree with our assessment of whether such extensions are available, and may refuse to grant extensions to our patents, or may grant more limited extensions than we request. An extension may not be granted or may be limited because of, for example a failure to exercise due diligence during the testing phase or regulatory review process, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents, or otherwise failing to satisfy applicable requirements. If this occurs, our competitors may be able to take advantage of our investment in development and clinical trials by referencing our clinical and preclinical data and launch their product earlier than might otherwise be the case, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Changes in U.S. patent law or the patent law of other countries or jurisdictions could diminish the value of patents in general, thereby impairing our ability to protect our current or any future technologies or product candidates.

Changes in either the patent laws or interpretation of the patent laws in the United States could increase the uncertainties and costs surrounding the prosecution of patent applications and the enforcement or defense of issued patents. The United States has recently enacted and implemented wide-ranging patent reform legislation. On September 16, 2011, the Leahy-Smith America Invents Act, or the Leahy-Smith Act, was signed into law, which could increase the uncertainties and costs surrounding the prosecution of our owned or in-licensed patent applications and the enforcement or defense of our owned or in-licensed issued patents. The Leahy-Smith Act includes a number of significant changes to U.S. patent law. These include provisions that affect the way patent applications are prosecuted, redefine prior art, may affect patent litigation and switch the U.S. patent system from a ‘‘first-to-invent’’ system to a ‘‘first-to-file’’ system. Under a first-to-file system, assuming the other requirements for patentability are met, the first inventor to file a patent application generally will be entitled to the patent on an invention regardless of whether another inventor had made the invention earlier. These provisions also allow third-party submission of prior art to the USPTO during patent prosecution and set forth additional procedures to challenge the validity of a patent by the USPTO administered post grant proceedings, including derivation, reexamination, inter partes review, post-grant review, and interference proceedings. The USPTO developed additional regulations and procedures to govern administration of the Leahy-Smith Act, and many of the substantive changes to patent law associated with the Leahy-Smith Act, and, in particular, the first-to-file provisions, only became effective on March 16, 2013. Accordingly, it is not clear what, if any, impact the Leahy-Smith Act will have on the operation of our business. The Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our owned or in-licensed patent applications and the enforcement or defense of our issued owned or in-licensed patents, all of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

The U.S. Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our and our licensors’ ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. The recent decision by the Supreme Court in Association for Molecular Pathology v. Myriad Genetics, Inc. precludes claims directed to a nucleic acid having a stated nucleotide sequence that is identical to a sequence found in nature and that is unmodified. This decision has yet to be clearly interpreted by other courts and by the USPTO. We cannot assure you that the interpretations of this decision or that subsequent rulings will not adversely impact our owned or in-licensed patents or patent applications. Depending on decisions by the U.S. Congress, the federal courts and the USPTO, the laws and regulations governing patents could change in unpredictable ways that would weaken our and our licensors’ ability to obtain new patents or to enforce our existing owned or in-licensed patents and patents that we might obtain or in-license in the future. Similarly, changes in patent law and regulations in other countries or jurisdictions or changes in the governmental bodies that enforce them or changes in how the relevant governmental authority enforces patent laws or regulations may have a material adverse effect on our and our licensors’ ability to obtain new patents or to protect and enforce our owned or in-licensed patents or that we may obtain or in-license in the future.

Other companies or organizations may challenge our or our licensors' patent rights or may assert patent rights that prevent us from developing and commercializing our current or future products.

Bispecific antibodies are a relatively new scientific field. As the field of antibody and immunoregulatory therapeutics matures, patent applications are being processed by national patent offices around the world. There is uncertainty about which patents will issue, and, if they do, as to when, to whom, and with what claims. In addition, third parties may attempt to invalidate our or our licensors' intellectual property rights. Even if such rights are not directly challenged, disputes could lead to the weakening of our or our licensors' intellectual property rights. Our defense against any attempt by third parties to circumvent or invalidate our intellectual property rights could be costly to us, could require significant time and attention of our management and could have a material and adverse effect on our business, financial condition, results of operations and prospects or our ability to successfully compete.

There are many issued and pending patents that claim aspects of our current or future product candidates and modifications that we may need to apply to our current or future product candidates. There are also many issued patents that claim antibodies or portions of antibodies that may be relevant for products we wish to develop. Thus, it is possible that one or more third parties will hold patent rights to which we will need a license, which may not be available on reasonable terms or at all. If those third parties refuse to grant us a license to such patent rights on reasonable terms or at all, we may be required to expend significant time and resources to redesign our technology, product candidates, or the methods for manufacturing them or to develop or license replacement technology, all of which may not be feasible on a technical or commercial basis. If we are unable to do so, we may not be able to market such technology or product candidates or perform research and development or other activities covered by these patents, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may not be able to protect our intellectual property rights throughout the world, which could negatively impact our business.

Filing, prosecuting and defending patents on current or future technologies or product candidates in all countries throughout the world would be prohibitively expensive. Competitors or other third parties may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and, further, may export otherwise infringing products to territories where we have patent protection or licenses but enforcement is not as strong as that in the United States. These products may compete with our products, and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Additionally, the laws of some foreign jurisdictions do not protect intellectual property rights to the same extent as the laws in the United States, and many companies have encountered significant difficulties in protecting and defending such rights in such jurisdictions. The legal systems of certain countries, including certain developing countries, do not favor the enforcement of patents and other intellectual property protection, particularly those relating to biotechnology, which could make it difficult for us to stop the infringement of our owned and in-licensed patents or the marketing of competing products in violation of our intellectual property and proprietary rights generally. Proceedings to enforce our owned or in-licensed intellectual property and proprietary rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our owned or in-licensed patents at risk of being invalidated or interpreted narrowly, could put our owned or in-licensed patent applications at risk of not issuing, and could provoke third parties to assert claims against us or our licensors. We or our licensors may not prevail in any lawsuits that we or our licensors initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our and our licensors' efforts to enforce such intellectual property and proprietary rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or in-license.

Many countries have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, many countries limit the enforceability of patents against government agencies or government contractors. In these countries, the patent owner may have limited remedies, which could materially diminish the value of its patents. If we or any of our licensors are forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position in the relevant jurisdiction may be impaired and our business, financial condition, results of operations and prospects may be materially adversely affected.

Third parties may initiate legal proceedings alleging that we are infringing, misappropriating or violating their intellectual property rights, the outcome of which would be uncertain and could have a material adverse impact on the success of our business.

Our commercial success depends, in part, upon our ability and the ability of our current or future collaborators to develop, manufacture, market and sell our current or any future product candidates and use our proprietary technologies without infringing, misappropriating or violating the proprietary and intellectual property rights of third parties. The biotechnology and pharmaceutical industries are characterized by extensive and complex litigation regarding patents and other intellectual property rights.

We or our licensors, or any future strategic partners may be party to, or be threatened with, adversarial proceedings or litigation regarding intellectual property rights with respect to our current or any future product candidates and technologies, including derivation, reexamination, inter partes review, post-grant review, or interference proceedings before the USPTO and similar proceedings in jurisdictions outside of the United States such as opposition proceedings. In some instances, we may be required to indemnify our licensors for the costs associated with any such adversarial proceedings or litigation. For example, our majority-owned subsidiary, AbMed Corporation, is obligated under the Collaboration and License Agreement with MedImmune to indemnify and hold harmless MedImmune for damages arising from intellectual property infringement by us resulting from exercise of the license from MedImmune. Third parties may assert infringement claims against us, our licensors or our strategic partners based on existing patents or patents that may be granted in the future, regardless of their merit. There is a risk that third parties may choose to engage in litigation with us, our licensors or our strategic partners to enforce or to otherwise assert their patent rights. Even if we believe such claims are without merit, a court of competent jurisdiction could hold that these third-party patents are valid, enforceable and infringed, which could have a material adverse impact on our ability to commercialize our current or any future platforms or product candidates. In order to successfully challenge the validity of any such U.S. patent in federal court, we would need to overcome a presumption of validity. As this burden is a high one requiring us to present clear and convincing evidence as to the invalidity of any such U.S. patent claim, there is no assurance that a court of competent jurisdiction would invalidate the claims of any such U.S. patent.

If we or our licensors, or any future strategic partners are found to infringe, misappropriate or violate a third-party patent or other intellectual property rights, we could be required to pay damages, including treble damages and attorney's fees, if we are found to have willfully infringed. In addition, we or our licensors, or any future strategic partners may choose to seek, or be required to seek, a license from a third party, which may not be available on commercially reasonable terms, if at all. Even if a license can be obtained on commercially reasonable terms, the rights may be non-exclusive, which could give our competitors access to the same technology or intellectual property rights licensed to us, and it could require us to make substantial licensing and royalty payments. We also could be forced, including by court order, to cease developing, manufacturing and commercializing the infringing platforms or product candidates. Any of the foregoing could have a material adverse effect on our ability to generate revenue or achieve profitability and possibly prevent us from generating revenue sufficient to sustain our operations.

In addition, we or our licensors may find it necessary to pursue claims or initiate lawsuits to protect or enforce our owned or in-licensed patent or other intellectual property rights. The cost to us in defending or initiating any litigation or other proceeding relating to our owned or in-licensed patent or other intellectual property rights, even if resolved in our favor, could be substantial, and any litigation or other proceeding would divert our management's attention. Such litigation or proceedings could materially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. Some of our competitors may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could delay our research and development efforts and materially limit our ability to continue our operations. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of our common stock.

If we or our licensors were to initiate legal proceedings against a third party to enforce a patent covering one of our product candidates or our technology, the defendant could counterclaim that such patent is invalid or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, for example, lack of novelty, indefiniteness, lack of written description, obviousness or non-enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO, or made a misleading statement, during prosecution. The outcome following legal assertions of invalidity and unenforceability during patent litigation is unpredictable. With respect to the validity question, for example, we cannot be certain that there is no invalidating prior art, of which we or our licensors and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of the patent protection on one or more of our product candidates or certain aspects of our platform technology. Such a loss of patent protection could have a material adverse effect on our business, financial condition, results of operations and prospects. Patents and other intellectual property rights also will not protect our product candidates and technologies if competitors or third parties design around such product candidates and technologies without legally infringing, misappropriating or violating our owned or in-licensed patents or other intellectual property rights.

Intellectual property rights of third parties could adversely affect our ability to commercialize our current or future technologies or product candidates, and we might be required to litigate or obtain licenses from third parties in order to develop or market our current or future technologies or product candidates, which may not be available on commercially reasonable terms or at all.

Because the antibody landscape is still evolving, it is difficult to conclusively assess our freedom to operate without infringing, misappropriating or violating third-party rights. There are numerous companies that have pending patent applications and issued patents broadly covering antibodies generally or covering antibodies directed against the same targets as, or targets similar to, those we are pursuing. Our competitive position may materially suffer if patents issued to third parties or other third-party intellectual property rights cover our current or future technologies or product candidates or elements thereof, or our manufacture or uses relevant to our development plans. In such cases, we may not be in a position to develop or commercialize current or future technologies or product candidates unless we successfully pursue litigation to nullify or invalidate the third-party intellectual property right concerned, or enter into a license agreement with the intellectual property right holder, if available on commercially reasonable terms. There may be issued patents of which we are not aware, held by third parties that, if found to be valid and enforceable, could be alleged to be infringed by our current or future technologies or product candidates. There also may be pending patent applications of which we are not aware that may result in issued patents, which could be alleged to be infringed by our current or future technologies or product candidates. If such an infringement claim should be brought and be successful, we may be required to pay substantial damages, be forced to abandon our current or future technologies or product candidates or seek a license from any patent holders. No assurances can be given that a license will be available on commercially reasonable terms, if at all.

It is also possible that we have failed to identify relevant third-party patents or applications. For example, U.S. applications filed before November 29, 2000 and certain U.S. applications filed after that date that will not be filed outside the U.S. remain confidential until patents issue. Patent applications in the United States and elsewhere are published approximately 18 months after the earliest filing for which priority is claimed, with such earliest filing date being commonly referred to as the priority date. Therefore, patent applications covering our product candidates or platform technologies could have been filed by others without our knowledge. Additionally, pending patent applications that have been published can, subject to certain limitations, be later amended in a manner that could cover our platforms, our product candidates or the use of our technologies. Third-party intellectual property right holders may also actively bring infringement, misappropriation or violation claims against us. We cannot guarantee that we will be able to successfully settle or otherwise resolve such claims. If we are unable to successfully settle future claims on terms acceptable to us, we may be required to engage in or continue costly, unpredictable and time-consuming litigation and may be prevented from or experience substantial delays in marketing our product candidates. If we fail in any such dispute, in addition to being forced to pay damages, we may be temporarily or permanently prohibited from commercializing any of our current or future technologies or product candidates that are held to be infringing, misappropriating or violating. We might, if possible, also be forced to redesign current or future technologies or product candidates so that we no longer infringe, misappropriate or violate the third-party intellectual property rights. Any of these events, even if we were ultimately to prevail, could require us to divert substantial financial and management resources that we would otherwise be able to devote to our business, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.

In addition to seeking patent protection for certain aspects of our current or future technologies and product candidates, we also consider trade secrets, including confidential and unpatented know-how, important to the maintenance of our competitive position. However, trade secrets and know-how can be difficult to protect. We protect trade secrets and confidential and unpatented know-how, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to such knowledge, such as our employees, corporate collaborators, outside scientific collaborators, CROs, contract manufacturers, consultants, advisors and other third parties. We also enter into confidentiality and invention or patent assignment agreements with our employees and consultants that obligate them to maintain confidentiality and assign their inventions to us. Despite these efforts, any of these parties may breach such agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. We may also become involved in inventorship disputes relating to inventions and patents developed by our employees or consultants under such agreements. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret, or securing title to an employee-or consultant-developed invention if a dispute arises, is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts in the United States and certain foreign jurisdictions are less willing or unwilling to protect trade secrets. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor, our competitive position would be materially and adversely harmed.

We may be subject to claims that we or our employees or consultants have wrongfully used or disclosed alleged trade secrets or other proprietary information of our employees' or consultants' former employers or their clients.

Many of our employees were previously employed at universities or biotechnology or biopharmaceutical companies, including our competitors or potential competitors. We may be subject to claims that these employees or we have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers. Litigation may be necessary to defend against these claims. If we fail in defending such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel or may be enjoined from using such intellectual property, and would likely divert significant resources from our core business, including distracting our technical and management personnel from their normal responsibilities. A loss of key research personnel or their work product could limit our ability to commercialize, or prevent us from commercializing, our current or future technologies or product candidates, which could materially harm our business. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management.

Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by government patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

Periodic maintenance fees, renewal fees, annuity fees and various other government fees on patents and/or applications will be due to be paid to the USPTO and various government patent agencies outside of the United States over the lifetime of our owned and in-licensed patents and/or applications and any patent rights we may own or in-license in the future. The USPTO and various non-U.S. government patent agencies require compliance with several procedural, documentary, fee payment and other similar provisions during the patent application process. We employ reputable law firms and other professionals to help us comply, and we are also dependent on our licensors to take the necessary action to comply with these requirements with respect to our in-licensed intellectual property. In many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. There are situations, however, in which non-compliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, potential competitors might be able to enter the market with similar or identical products or platforms, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

If our trademarks and trade names are not adequately protected, then we may not be able to build name recognition in our markets of interest and our business may be adversely affected.

Our trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names or may be forced to stop using these names, which we need for name recognition by potential partners or customers in our markets of interest. If we are unable to establish name recognition based on our trademarks and trade names, we may not be able to compete effectively and our business may be materially adversely affected.

Intellectual property rights do not necessarily address all potential threats to our business.

The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations, and may not adequately protect our business. The following examples are illustrative:

- others may be able to make compounds or formulations that are similar to our product candidates, but that are not covered by the claims of any patents, should they issue, that we own, license or control;
- we or any strategic partners might not have been the first to make the inventions covered by the issued patents or pending patent applications that we own, license or control;
- we or our licensors might not have been the first to file patent applications covering certain of our owned and in-licensed inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing, misappropriating or violating our owned or in-licensed intellectual property rights;
- it is possible that our owned or in-licensed pending patent applications will not lead to issued patents;
- issued patents that we own, in-license or control may not provide us with any competitive advantages, or may be narrowed or held invalid or unenforceable, including as a result of legal challenges;
- our competitors might conduct research and development activities in the United States and other countries that provide a safe harbor from patent infringement claims for certain research and development activities, as well as in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;
- we may not develop additional proprietary platforms that are patentable;
- we may choose not to file a patent in order to maintain certain trade secrets or know-how, and a third party may subsequently file a patent covering such trade secrets or know-how; and
- the patents of others may have an adverse effect on our business.

Should any of these events occur, they could have a material adverse effect on our business, financial condition, results of operations and prospects.

Risks Related to Government Regulation

Clinical development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results.

All of our product candidates are in preclinical development and their risk of failure is high. It is impossible to predict when or if any of our product candidates will prove effective and safe in humans or will receive regulatory approval. Before obtaining marketing approval from regulatory authorities for the sale of any product candidate, we must complete preclinical studies and then conduct extensive clinical trials to demonstrate the safety and efficacy of our product candidates in humans. Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the development process. The results of preclinical studies and early clinical trials of our product candidates may not be predictive of the results of later-stage clinical trials. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through preclinical studies and initial clinical trials. A number of companies in the pharmaceutical industry have suffered significant setbacks in advanced clinical trials due to lack of efficacy or safety profiles, notwithstanding promising results in earlier trials.

We expect to commence clinical trials of our two lead product candidates, ABP-102 for the treatment of breast and gastric cancers, and ABP-201 for the treatment of wet age-related macular degeneration (Wet AMD) and diabetic macular edema (DME) in 2026. Commencing these clinical trials is subject to finalizing the trial design and filing an IND or similar filing with the FDA or similar foreign regulatory authority. Even after we file our IND or comparable submissions in other jurisdictions, the FDA or other regulatory authorities could disagree that we have satisfied their requirements to commence our clinical trials or disagree with our study design, which may require us to complete additional preclinical studies or amend our protocols or impose stricter conditions on the commencement of clinical trials.

We may experience delays in completing our preclinical studies and initiating or completing clinical trials of our product candidates. We do not know whether planned preclinical studies and clinical trials will be completed on schedule or at all, or whether planned clinical trials will begin on time, need to be redesigned, enroll patients on time or be completed on schedule, if at all. Our development programs may be delayed for a variety of reasons, including delays related to:

- the FDA or other regulatory authorities requiring us to submit additional data or imposing other requirements before permitting us to initiate a clinical trial;
- obtaining regulatory approval to commence a clinical trial;
- reaching agreement on acceptable terms with prospective CROs and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and clinical trial sites;
- obtaining institutional review board, or IRB, approval at each clinical trial site;
- recruiting suitable patients to participate in a clinical trial;
- having patients complete a clinical trial or return for post-treatment follow-up;
- clinical trial sites deviating from trial protocol or dropping out of a trial;
- adding new clinical trial sites; or
- manufacturing sufficient quantities of our product candidates for use in clinical trials.

Patient enrollment, a significant factor in the timing of clinical trials, is affected by many factors including the size and nature of the patient population, the proximity of patients to clinical sites, the eligibility criteria for the trial, the design of the clinical trial, the severity of the disease under investigation, our payments for conducting clinical trials, competing clinical trials and clinicians' and patients' perceptions as to the potential advantages of the product candidate being studied in relation to other available therapies, including any new drugs or therapeutic biologics that may be approved for the indications we are investigating. Especially because our product candidates may initially target indications that may be characterized as orphan markets, the clinical trial timeline for the regulatory process could be prolonged if sufficient patients cannot be enrolled in a timely manner. Furthermore, we expect to rely on our partners, CROs and clinical trial sites to ensure the proper and timely conduct of our clinical trials and while we expect to enter into agreements governing their committed activities, we have limited influence over their actual performance.

We could encounter delays if prescribing physicians encounter unresolved ethical issues associated with enrolling patients in clinical trials of our product candidates in lieu of prescribing existing treatments that have established safety and efficacy profiles. Further, a clinical trial may be suspended or terminated by us, our partners, the IRBs of the institutions in which such trials are being conducted, the Data Safety Monitoring Board for such trial or by the FDA or other regulatory authorities due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of the clinical trial operations or trial site by the FDA or other regulatory authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a drug or therapeutic biologic, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. If we experience delays in the completion of, or termination of, any clinical trial of our product candidates, the commercial prospects of our product candidates will be harmed, and our ability to generate product revenues from any of these product candidates will be delayed. In addition, any delays in completing our clinical trials will increase our costs, slow down our product development and approval process and jeopardize our ability to commence product sales and generate revenues. Any of these occurrences may materially and adversely affect our business, financial condition, results of operations and prospects. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our product candidates.

We may be unable to obtain U.S. or foreign regulatory approval and, as a result, be unable to commercialize our product candidates, resulting in substantial harm to our business.

We cannot commercialize a product until the appropriate regulatory authorities have reviewed and approved the product candidate. Our product candidates are subject to extensive governmental regulations relating to, among other things, research, testing, development, manufacturing, safety, efficacy, approval, recordkeeping, reporting, labeling, storage, packaging, advertising and promotion, pricing, marketing and distribution of drugs and therapeutic biologics. Rigorous preclinical testing and clinical trials and an extensive regulatory approval process are required to be successfully completed in the U.S. and in many foreign jurisdictions before a new drug or therapeutic biologic can be marketed. Satisfaction of these and other regulatory requirements is costly, time consuming, uncertain and subject to unanticipated delays. It is possible that none of the product candidates we may develop will obtain the regulatory approvals necessary for us or our existing or future partners to begin selling them. We have very limited experience in conducting and managing the clinical trials necessary to obtain regulatory approvals, including approval by the FDA. The time required to obtain FDA and other approvals is unpredictable but typically takes many years following the commencement of clinical trials, depending upon the type, complexity and novelty of the product candidate. The standards that the FDA and its foreign counterparts use when regulating us require judgment and can change, which makes it difficult to predict with certainty how they will be applied. Any analysis we perform of data from preclinical and clinical activities is subject to confirmation and interpretation by regulatory authorities, which could delay, limit or prevent regulatory approval. We may also encounter unexpected delays or increased costs due to new government regulations, for example, from future legislation or administrative action, or from changes in FDA policy during the period of product development, clinical trials and FDA regulatory review. It is impossible to predict whether legislative changes will be enacted, or whether FDA or foreign regulations, guidance or interpretations will be changed, or what the impact of such changes, if any, may be.

We believe the FDA has limited early experience with bispecific antibody-based therapeutics, which may increase the complexity, uncertainty and length of the regulatory approval process for our product candidates. For example, the FDA may require us to provide additional data to support our regulatory applications, including Biologics License Applications ("BLAs"). In addition, because there may be approved treatments for some of the diseases for which we may seek approval, in order to receive regulatory approval, we may need to demonstrate through clinical trials that the product candidates we develop to treat these diseases, if any, are not only safe and effective, but safer or more effective than existing products.

Any delay or failure in obtaining required approvals could have a material and adverse effect on our ability to generate revenues from the particular product candidate for which we are seeking approval. Furthermore, any regulatory approval to market a product may be subject to limitations on the approved uses for which we may market the product or the labeling or other restrictions.

We are also subject to numerous foreign regulatory requirements governing, among other things, the conduct of clinical trials, manufacturing and marketing authorization, pricing and third-party reimbursement. The foreign regulatory approval process varies among countries and may include all of the risks associated with FDA approval described above as well as risks attributable to the satisfaction of local regulations in foreign jurisdictions. Moreover, the time required to obtain approval may differ from that required to obtain FDA approval. Approval by the FDA does not ensure approval by regulatory authorities outside the United States and vice versa.

We may in the future conduct clinical trials for current or future product candidates outside the United States, and the FDA and comparable foreign regulatory authorities may not accept data from such trials.

We may in the future choose to conduct one or more clinical trials outside the United States. The acceptance of study data from clinical trials conducted outside the United States or another jurisdiction by the FDA or comparable foreign regulatory authority may be subject to certain conditions or may not be accepted at all. In cases where data from foreign clinical trials are intended to serve as the sole basis for marketing approval in the United States, the FDA will generally not approve the application on the basis of foreign data alone unless (i) the data are applicable to the U.S. population and U.S. medical practice; (ii) the trials were performed by clinical investigators of recognized competence and pursuant to GCP regulations; and (iii) the data may be considered valid without the need for an on-site inspection by the FDA, or if the FDA considers such inspection to be necessary, the FDA is able to validate the data through an on-site inspection or other appropriate means. In addition, even where the foreign study data are not intended to serve as the sole basis for approval, the FDA will not accept the data as support for an application for marketing approval unless the study is well-designed and well-conducted in accordance with GCP and the FDA is able to validate the data from the study through an onsite inspection, if deemed necessary. Many foreign regulatory authorities have similar approval requirements. In addition, such foreign trials would be subject to the applicable local laws of the foreign jurisdictions where the trials are conducted. There can be no assurance that the FDA or any comparable foreign regulatory authority will accept data from trials conducted outside of the United States or the applicable jurisdiction. If the FDA or any comparable foreign regulatory authority does not accept such data, it would result in the need for additional trials, which could be costly and time-consuming, and which may result in current or future product candidates that we may develop not receiving approval for commercialization in the applicable jurisdiction.

Further, conducting clinical trials in foreign countries, as we may do for our product candidates, presents additional risks that may delay completion of our clinical trials. These risks include the failure of enrolled patients in foreign countries to adhere to clinical protocol as a result of differences in healthcare services or cultural customs, managing additional administrative burdens associated with foreign regulatory schemes, as well as political and economic risks relevant to such foreign countries.

Even if we receive regulatory approval for any of our product candidates, we will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense. Additionally, our product candidates, if approved, could be subject to labeling and other restrictions and market withdrawal and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our products.

Any regulatory approvals that we or our existing or future partners obtain for our product candidates may also be subject to limitations on the approved indicated uses for which a product may be marketed or to the conditions of approval, or contain requirements for potentially costly post-marketing testing, including "Phase 4" clinical trials, and surveillance to monitor the safety and efficacy of the product candidate. In addition, if the FDA or a comparable foreign regulatory authority approves any of our product candidates, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, import, export, advertising, promotion and recordkeeping for the product will be subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post-marketing information and reports, registration, as well as continued compliance with cGMPs and GCPs for any clinical trials that we conduct post-approval. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with our third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may result in, among other things:

- restrictions on the marketing or manufacturing of the product, withdrawal of the product from the market or voluntary or mandatory product recalls;
- fines, warning letters or holds on clinical trials;

- refusal by the FDA to approve pending applications or supplements to approved applications filed by us or our strategic partners;
- suspension or revocation of product license approvals;
- product seizure or detention or refusal to permit the import or export of products; and;
- injunctions or the imposition of civil or criminal penalties.

The FDA's policies may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or abroad. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained and we may not achieve or sustain profitability, which would adversely affect our business.

We may fail to obtain and maintain orphan drug designation from the FDA for our current and future product candidates, as applicable.

Our strategy may include filing for orphan drug designation if and where available for our product candidates. Under the Orphan Drug Act, the FDA may grant orphan drug designation to a drug or biologic intended to treat a rare disease or condition, which is defined as one occurring in a patient population of fewer than 200,000 in the United States, or a patient population greater than 200,000 in the United States where there is no reasonable expectation that the cost of developing the drug or biologic will be recovered from sales in the United States. In the United States, orphan drug designation entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages and user-fee exemptions. In addition, if a product that has orphan drug designation subsequently receives the first FDA approval for the disease for which it has such designation, the product is entitled to orphan drug exclusivity, which means that the FDA may not approve any other applications, including a full NDA or BLA, to market the same drug or biologic for the same indication for seven years, except in limited circumstances, such as a showing of clinical superiority to the product with orphan drug exclusivity or where the original manufacturer is unable to assure sufficient product quantity.

We may pursue orphan designations for our lead product candidates ABP-102 and ABP-201. However, while we may seek orphan drug designations for our product candidates, we may never receive such designations. In addition, orphan drug designation neither shortens the development time or regulatory review time of a drug, nor gives the drug any advantage in the regulatory review or approval process. Even if we obtain such designations, we may not be the first to obtain regulatory approval of a product candidate for the orphan-designated indication due to the uncertainties associated with developing pharmaceutical products. We may also fail to meet requirements to maintain orphan drug designation while developing ABP-102 and ABP-201. In addition, exclusive marketing rights in the United States may be limited if we decide to seek approval for an indication broader than the orphan-designated indication or may be lost if the FDA later determines that the request for designation was materially defective or if we are unable to assure sufficient quantities of the product to meet the needs of patients with the orphan-designated disease or condition. Further, even if we obtain orphan drug exclusivity for a product, that exclusivity may not effectively protect the product from competition because different drugs with different active moieties may receive and be approved for the same condition, and only the first applicant to receive approval will receive the benefits of marketing exclusivity. Even after an orphan-designated product is approved, the FDA can subsequently approve a later drug with the same active moiety for the same condition if the FDA concludes that the later drug is clinically superior if it is shown to be safer, more effective or makes a major contribution to patient care.

We may attempt to secure approval from the FDA through the use of accelerated approval pathways. If unable to obtain approval under an accelerated pathway, we may be required to conduct additional preclinical studies or clinical trials which could increase the expense of obtaining, reduce the likelihood of obtaining and/or delay the timing of obtaining, necessary marketing approvals. Even if we receive accelerated approval from the FDA, if our confirmatory trials do not verify clinical benefit, or if we do not comply with rigorous post-marketing requirements, the FDA may seek to withdraw accelerated approval.

We may seek an accelerated approval development pathway for our product candidates, including ABP-102 and ABP-201. Under the accelerated approval provisions of the Federal Food, Drug, and Cosmetic Act (the "FDCA"), and the FDA's implementing regulations, the FDA may grant accelerated approval to a product designed to treat a serious or life-threatening condition that provides meaningful therapeutic advantage over available therapies and demonstrates an effect on a surrogate endpoint or intermediate clinical endpoint that is reasonably likely to predict clinical benefit. The FDA considers a clinical benefit to be a positive therapeutic effect that is clinically meaningful in the context of a given disease. For the purposes of accelerated approval, a surrogate endpoint is a marker, such as a laboratory measurement, radiographic image, physical sign, or other measure that is thought to predict clinical benefit, but is not itself a measure of clinical benefit. An intermediate clinical endpoint is a clinical endpoint that can be measured earlier than an effect on irreversible morbidity or mortality that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit. The accelerated approval development pathway may be used in cases in which the advantage of a new drug over available therapy may not be a direct therapeutic advantage, but is a clinically important improvement from a patient and public health perspective. If granted, accelerated approval is contingent on the sponsor's agreement to conduct, in a diligent manner, additional post-approval confirmatory studies to verify and describe the drug's clinical profile or risks and benefits for accelerated approval. The FDA may require that any such confirmatory study be initiated or substantially underway prior to the submission of an application for accelerated approval. If such post-approval studies fail to confirm the drug's clinical profile or risks and benefits, the FDA may withdraw its approval of the drug.

If we choose to pursue accelerated approval, we intend to seek feedback from the FDA or will otherwise evaluate our ability to seek and receive such accelerated approval. There can be no assurance that, after our evaluation of the feedback from the FDA or other factors, we will decide to pursue or submit a BLA for accelerated approval or any other form of expedited development, review or approval. Furthermore, if we submit an application for accelerated approval, there can be no assurance that such application will be accepted or that approval will be granted on a timely basis, or at all. The FDA also could require us to conduct further studies or trials prior to considering our application or granting approval of any type. We might not be able to fulfill the FDA's requirements in a timely manner, which would cause delays, or approval might not be granted because our submission is deemed incomplete by the FDA. A failure to obtain accelerated approval or any other form of expedited development, review or approval for a product candidate would result in a longer time period to commercialize such product candidate, could increase the cost of development of such product candidate and could harm our competitive position in the marketplace.

Even if we receive accelerated approval from the FDA, we will be subject to rigorous post-marketing requirements, including the completion of confirmatory post-market clinical trial(s) to verify the clinical benefit of the product, and submission to the FDA of all promotional materials prior to their dissemination. The FDA could seek to withdraw accelerated approval for multiple reasons, including if we fail to conduct any required post-market study with due diligence, a post-market study does not confirm the predicted clinical benefit, other evidence shows that the product is not safe or effective under the conditions of use, or we disseminate promotional materials that are found by the FDA to be false and misleading.

Healthcare legislative reform measures may have a material adverse effect on our business and results of operations.

In the United States, there have been a number of legislative and regulatory changes to the health care system that could impact our ability to sell our products profitably. In particular, in 2010, the Patient Protection and Affordable Care Act, or the ACA, was enacted, which, among other things, addressed a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected; increased the minimum Medicaid rebates owed by most manufacturers under the Medicaid Drug Rebate Program; extended the Medicaid Drug Rebate program to utilization of prescriptions of individuals enrolled in Medicaid managed care organizations; subjected manufacturers to new annual fees and taxes for certain branded prescription drugs; created a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% (increased to 70% pursuant to the Bipartisan Budget Act of 2018, effective as of January 1, 2019) point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D; and provided incentives to programs that increase the federal government's comparative effectiveness research.

Since its enactment, there have been judicial, Congressional and executive challenges to certain aspects of the ACA. On June 17, 2021, the U.S. Supreme Court dismissed the most recent judicial challenge to the ACA brought by several states without specifically ruling on the constitutionality of the ACA. Prior to the Supreme Court's decision, President Biden issued an executive order to initiate a special enrollment period from February 15, 2021 through August 15, 2021 for purposes of obtaining health insurance coverage through the ACA marketplace. The executive order also instructed certain governmental agencies to review and reconsider their existing policies and rules that limit access to healthcare, including among others, reexamining Medicaid demonstration projects and waiver programs that include work requirements, and policies that create unnecessary barriers to obtaining access to health insurance coverage through Medicaid or the ACA. It is unclear how other healthcare reform measures of the Biden administration or other efforts, if any, to challenge, repeal or replace the ACA will impact our business. Other legislative changes have been proposed and adopted in the United States since the ACA was enacted. The Budget Control Act of 2011 and subsequent legislation, among other things, created measures for spending reductions that resulted in aggregate reductions of Medicare payments to providers up to 2% per fiscal year, which, due to subsequent legislative amendments, will remain in effect through 2030 unless additional Congressional action is taken.

In August 2022, the Inflation Reduction Act of 2022, or the IRA, was signed into law. The IRA includes several provisions that may impact our business, depending on how various aspects of the IRA are implemented. Provisions that may impact our business include a $2,000 out-of-pocket cap for Medicare Part D beneficiaries, the imposition of new manufacturer financial liability on most drugs in Medicare Part D, permitting the U.S. government to negotiate Medicare Part B and Part D pricing for certain high-cost drugs and biologics without generic or biosimilar competition, requiring companies to pay rebates to Medicare for drug prices that increase faster than inflation, and delaying the rebate rule that would require pass through of pharmacy benefit manager rebates to beneficiaries. In August 2023, the government selected the first 10 drugs to be put through the Medicare drug price negotiation program, which is currently subject to several constitutional challenges. The outcomes of these challenges on the IRA, and the effect of the IRA on our business and the healthcare industry in general, are not yet known.

There has been increasing legislative and enforcement interest in the United States with respect to product pricing practices. Specifically, there have been several recent U.S. Congressional inquiries and proposed federal and state legislation designed to, among other things, bring more transparency to product pricing, reduce the cost of products under Medicare, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drugs. The U.S. Department of Health and Hman Services ("HHS") has already started the process of soliciting feedback on some of these measures and, at the same time, is immediately implementing others under its existing authority. It is unclear what effect such legislative and enforcement interest may have on prescription devices.

We expect that these and other healthcare reform measures that may be adopted in the future, may result in more rigorous coverage criteria and in additional downward pressure on the price that we receive for any marketed product, which could have an adverse effect on patients for our product candidates. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payers.

There have been, and likely will continue to be, legislative and regulatory proposals at the foreign, federal and state levels in the U.S. directed at broadening the availability of healthcare and containing or lowering the cost of healthcare. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability or commercialize our products. Such reforms could have an adverse effect on anticipated revenue from products that we may successfully develop and for which we may obtain regulatory marketing authorization and may affect our overall financial condition and ability to develop product candidates. If we or any third parties we may engage are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we or such third parties are not able to maintain regulatory compliance, our current or any future product candidates we may develop may lose any regulatory marketing authorization that may have been obtained and we may not achieve or sustain profitability.

In the United States, there have been and continue to be a number of legislative initiatives to contain healthcare costs. For example, in March 2010, the ACA was enacted, which substantially changed the way health care is financed by both governmental and private insurers, and significantly impacted the U.S. pharmaceutical industry. The ACA, among other things, subjected therapeutic biologics to potential competition by lower-cost biosimilars, addressed a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs and therapeutic biologics that are inhaled, infused, instilled, implanted or injected, increased the minimum Medicaid rebates owed by manufacturers under the Medicaid Drug Rebate Program, extended the rebate program to individuals enrolled in Medicaid managed care organizations, established annual fees and taxes on manufacturers of certain branded prescription drugs and therapeutic biologics and added a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% point-of-sale discounts off negotiated prices of applicable brand drugs and therapeutic biologics to eligible beneficiaries during their coverage gap period as a condition for the manufacturer's outpatient drugs and therapeutic biologics to be covered under Medicare Part D.

However, some provisions of the ACA have yet to be fully implemented and certain provisions have been subject to judicial and Congressional challenges, as well as efforts by the Trump Administration to repeal or replace certain aspects of the ACA. For example, since January 2017, President Trump has signed two executive orders and other directives designed to delay, circumvent, or loosen certain requirements mandated by the ACA. Concurrently, Congress has considered legislation that would repeal or repeal and replace all or part of the ACA. On December 20, 2017, Congress passed The Tax Cuts and Jobs Act, which includes a provision repealing the individual mandate under the ACA, effective January 1, 2019. We continue to evaluate how the ACA and recent efforts to repeal and replace or limit the implementation of the ACA will impact our business.

In addition, other legislative changes have been proposed and adopted in the United States since the ACA was enacted. On August 2, 2011, the Budget Control Act of 2011 among other things, created measures for spending reductions by Congress. A Joint Select Committee on Deficit Reduction, tasked with recommending a targeted deficit reduction of at least $1.2 trillion for the years 2013 through 2021, was unable to reach required goals, thereby triggering the legislation's automatic reduction to several government programs. This includes aggregate reductions of Medicare payments to providers of 2% per fiscal year. These reductions went into effect on April 1, 2013 and, due to subsequent legislative amendments to the statute, will remain in effect through 2024 unless additional Congressional action is taken. On January 2, 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, further reduced Medicare payments to several types of providers. Additionally, there has been heightened governmental scrutiny recently over the manner in which manufacturers set prices for their marketed products. For example, there have been several recent Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drug products. These new laws and initiatives may result in additional reductions in Medicare and other healthcare funding, which could have a material adverse effect on our future customers and accordingly, our financial operations.

Further, on December 13, 2016, President Obama signed the 21st Century Cures Act (the "Cures Act"), into law. Among other provisions, the Cures Act reauthorized the existing priority review voucher program for certain drugs intended to treat rare pediatric diseases until 2020; created a new priority review voucher program for drug applications determined to be material national security threat medical countermeasure applications; revised the FDCA to streamline review of combination product applications; required FDA to evaluate the potential use of "real world evidence" to help support approval of new indications for approved drugs; provided a new "limited population" approval pathway for antibiotic and antifungal drugs intended to treat serious or life-threatening infections; and authorized FDA to designate a drug as a "regenerative advanced therapy," thereby making it eligible for certain expedited review and approval designations.

We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for our product candidates or additional pricing pressures.

If we or existing or future partners, manufacturers or service providers fail to comply with healthcare laws and regulations, we or they could be subject to enforcement actions, which could affect our ability to develop, market and sell our products and may harm our reputation.

Healthcare providers, physicians and third-party payors, among others, will play a primary role in the prescription and recommendation of any product candidates for which we obtain marketing approval. Our future arrangements with third-party payors and customers, among others, may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we market, sell and distribute our product candidates for which we obtain marketing approval. Restrictions under applicable federal and state healthcare laws and regulations, include the following:

- the federal Anti-Kickback Statute, which prohibits, among other things, a person or entity from knowingly and willfully soliciting, offering, paying, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, lease order, arranging for or recommendation of, any good, facility, item or service, for which payment may be made, in whole or in part, by a federal healthcare program, such as Medicare or Medicaid. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. Violation of the federal Anti-Kickback Statue carries criminal penalties and fines as well as administrative sanctions under the Civil Money Penalties Law. In addition, a violation of the Anti-Kickback Statute can form the basis for a violation of the federal False Claims Act;

- the federal civil and criminal false claims laws, including the federal False Claims Act, and civil monetary penalties laws that impose criminal and civil penalties, including through civil whistleblower or qui tam actions, against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government. In addition, the government may assert that a claim including items and services resulting from a referral made in violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal False Claims Act;

- the U.S. federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), which imposes criminal and civil liability for executing a scheme to defraud any healthcare benefit program, or knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement in connection with the delivery of or payment for healthcare benefits, items or services. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;

- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 ("HITECH"), and its implementing regulations, including the Final Omnibus Rule published in January 2013, which impose obligations on certain covered entity healthcare providers, health plans, and healthcare clearinghouse as well as their business associates that perform certain services involving the use or disclosure of individually identifiable health information, including mandatory contractual terms, with respect to safeguarding the privacy, security, and transmission of individually identifiable health information, and require notification to affected individuals and regulatory authorities of certain breaches of security of individually identifiable health information;

- the federal false statements statute, which prohibits knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement in connection with the delivery of or payment for healthcare benefits, items or services;

- the federal transparency requirements known as the federal Physician Payments Sunshine Act, created as part of ACA, which requires certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicare or the Children's Health Insurance Program to report annually to CMS information related to payments and other transfers of value made by that entity to physicians and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members; and

- the analogous local, state and foreign laws and regulations, such as state anti-kickback and false claims laws that may apply to healthcare items or services reimbursed by third-party payors, including private insurers; local, state and foreign transparency laws that require manufacturers to report information related to payments and transfers of value to other health care providers and health care entities, or marketing expenditures; state laws that require pharmaceutical companies to register certain employees engaged in marketing activities in the location and comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government; and state and foreign laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

Ensuring that our future business arrangements with third parties comply with applicable healthcare laws and regulations could involve substantial costs. If our operations are found to be in violation of any such requirements, we may be subject to penalties, including criminal and significant civil monetary penalties, damages, fines, individual imprisonment, disgorgement, contractual damages, reputational harm, exclusion from participation in government healthcare programs, integrity obligations, injunctions, recall or seizure of products, total or partial suspension of production, denial or withdrawal of pre-marketing product approvals, private qui tam actions brought by individual whistleblowers in the name of the government, refusal to allow us to enter into supply contracts, including government contracts, and the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our results of operations. Although effective compliance programs can mitigate the risk of investigation and prosecution for violations of these laws, these risks cannot be entirely eliminated. Any action against us for an alleged or suspected violation could cause us to incur significant legal expenses and could divert our management's attention from the operation of our business, even if our defense is successful. In addition, achieving and sustaining compliance with applicable laws and regulations may be costly to us in terms of money, time and resources.

If we fail to comply with U.S. and foreign regulatory requirements, regulatory authorities could limit or withdraw any marketing or commercialization approvals we may receive and subject us to other penalties that could materially harm our business.

Even if we receive marketing and commercialization approval of a product candidate, we will be subject to continuing regulatory requirements, including in relation to adverse patient experiences with the product and clinical results that are reported after a product is made commercially available, both in the United States and any foreign jurisdiction in which we seek regulatory approval. The FDA has significant post-market authority, including the authority to require labeling changes based on new safety information and to require post-market studies or clinical trials to evaluate safety risks related to the use of a product or to require withdrawal of the product from the market. The FDA also has the authority to require a Risk Evaluation and Mitigation Strategy (a "REMS"), after approval, which may impose further requirements or restrictions on the distribution or use of an approved drug or therapeutic biologic. The manufacturer and manufacturing facilities we use to make a future product, if any, will also be subject to periodic review and inspection by the FDA and other regulatory agencies, including for continued compliance with cGMP requirements. The discovery of any new or previously unknown problems with our third-party manufacturers, manufacturing processes or facilities may result in restrictions on the product, manufacturer or facility, including withdrawal of the product from the market. We intend to rely on third-party manufacturers and we will not have control over compliance with applicable rules and regulations by such manufacturers. Any product promotion and advertising will also be subject to regulatory requirements and continuing regulatory review. If we or our existing or future partners, manufacturers or service providers fail to comply with applicable continuing regulatory requirements in the U.S. or foreign jurisdictions in which we seek to market our products, we or they may be subject to, among other things, fines, warning letters, holds on clinical trials, delay of approval or refusal by the FDA to approve pending applications or supplements to approved applications, suspension or withdrawal of regulatory approval, product recalls and seizures, administrative detention of products, refusal to permit the import or export of products, operating restrictions, injunction, civil penalties and criminal prosecution.

Even if we are able to commercialize any product candidate, such product candidate may become subject to unfavorable pricing regulations or third-party coverage and reimbursement policies, which would harm our business.

Our ability to commercialize any products successfully will depend, in part, on the extent to which coverage and adequate reimbursement for these products and related treatments will be available from third-party payors, such as government authorities, private health insurers, and health maintenance organizations. Patients who are prescribed medications for the treatment of their conditions generally rely on third-party payors to reimburse all or part of the costs associated with their prescription drugs. Coverage and adequate reimbursement from government healthcare programs, such as Medicare and Medicaid, and private health insurers are critical to new product acceptance. Patients are unlikely to use our future product candidates unless coverage is provided and reimbursement is adequate to cover a significant portion of the cost of our product candidates.

Cost-containment is a priority in the U.S. healthcare industry and elsewhere. As a result, government authorities and other third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. Third-party payors also may request additional clinical evidence beyond the data required to obtain marketing approval, requiring a company to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of its product. We cannot be sure that coverage and adequate reimbursement will be available for any product that we commercialize and, if reimbursement is available, that the level of reimbursement will be adequate. Coverage and reimbursement may impact the demand for, or the price of, any product candidate for which we obtain marketing approval. If coverage and reimbursement are not available or are available only at limited levels, we may not be able to successfully commercialize any product candidate for which we obtain marketing approval.

Additionally, the regulations that govern regulatory approvals, pricing and reimbursement for new drugs and therapeutic biologics vary widely from country to country. Some countries require approval of the sale price of a drug or therapeutic biologic before it can be marketed. In many countries, the pricing review period begins after marketing approval is granted. In some foreign markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we might obtain regulatory approval for a product in a particular country, but then be subject to price regulations that delay our commercial launch of the product, possibly for lengthy time periods and negatively impact the revenues we are able to generate from the sale of the product in that country. Adverse pricing limitations may hinder our ability to recoup our investment in one or more product candidates, even if our product candidates obtain regulatory approval.

We are subject to U.S. and foreign anti-corruption and anti-money laundering laws with respect to our operations and non-compliance with such laws can subject us to criminal and/or civil liability and harm our business.

We are subject to the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA"), the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act, and possibly other state and national anti-bribery and anti-money laundering laws in countries in which we conduct activities. Anti-corruption laws are interpreted broadly and prohibit companies and their employees, agents, third-party intermediaries, joint venture partners and collaborators from authorizing, promising, offering, or providing, directly or indirectly, improper payments or benefits to recipients in the public or private sector. We interact with officials and employees of government agencies and government-affiliated hospitals, universities, and other organizations. In addition, we may engage third-party intermediaries to promote our clinical research activities abroad and/or to obtain necessary permits, licenses, and other regulatory approvals. We can be held liable for the corrupt or other illegal activities of these third-party intermediaries, our employees, representatives, contractors, partners, and agents, even if we do not explicitly authorize or have actual knowledge of such activities. We will adopt a Code of Business Conduct and Ethics, which will be effective upon the Closing of the Business Combination, and expect to prepare and implement policies and procedures to ensure compliance with such code. The Code of Business Conduct and Ethics mandates compliance with the FCPA and other anti-corruption laws applicable to our business throughout the world. However, we cannot assure you that our employees and third-party intermediaries will comply with this code or such anti-corruption laws. Noncompliance with anti-corruption and anti-money laundering laws could subject us to whistleblower complaints, investigations, sanctions, settlements, prosecution, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, suspension and/or debarment from contracting with certain persons, the loss of export privileges, reputational harm, adverse media coverage, and other collateral consequences. If any subpoenas, investigations, or other enforcement actions are launched, or governmental or other sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our business, results of operations and financial condition could be materially harmed. In addition, responding to any action will likely result in a materially significant diversion of management's attention and resources and significant defense and compliance costs and other professional fees. In certain cases, enforcement authorities may even cause us to appoint an independent compliance monitor which can result in added costs and administrative burdens.

Comprehensive tax reform bills could adversely affect our business and financial condition.

The U.S. government is in the process of enacting comprehensive tax legislation that includes significant changes to the taxation of business entities. These changes include, among others, (i) a permanent reduction to the corporate income tax rate, (ii) a partial limitation on the deductibility of business interest expense, (iii) a shift of the U.S. taxation of multinational corporations from a tax on worldwide income to a territorial system (along with certain rules designed to prevent erosion of the U.S. income tax base) and (iv) a one-time tax on accumulated offshore earnings held in cash and illiquid assets, with the latter taxed at a lower rate. Notwithstanding the reduction in the corporate income tax rate, the overall impact of this tax reform is uncertain, and our business and financial condition could be adversely affected. This proxy statement/prospectus does not discuss any such tax legislation or the manner in which it might affect purchasers of our common stock. We urge our stockholders to consult with their legal and tax advisors with respect to any such legislation and the potential tax consequences of investing in our common stock.

Our ability to utilize our net operating loss carryforwards and certain other tax attributes may be limited.

Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, if a corporation undergoes an "ownership change" (generally defined as a greater than 50 percentage points change (by value) in the ownership of its equity over a rolling three-year period), the corporation's ability to use its pre-change net operating loss carryforwards and certain other pre-change tax attributes to offset its post-change income and taxes may be limited.

We may have experienced such ownership changes in the past, and we may experience ownership changes in the future, some of which are outside of our control. As of December 31, 2023, we had federal net operating loss carryforwards of approximately $74.9 million, and our ability to utilize those net operating loss carryforwards could be limited by an "ownership change" as described above, which could result in increased tax liability to our company.

Risks Related to Our Organization and Structure

Our Charter and the Bylaws provide that the Court of Chancery of the State of Delaware is the sole and exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.

Our Charter and the Bylaws provide that, unless we consent in writing to the selection of an alternative forum, the (a) Court of Chancery (the "Chancery Court") of the State of Delaware (or, in the event that the Chancery Court does not have jurisdiction, the federal district court for the District of Delaware or other state courts of the State of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for: (i) any derivative action, suit or proceeding brought on our behalf; (ii) any action, suit or proceeding asserting a claim of breach of fiduciary duty owed by any of our directors, officers, or stockholders to us or to our stockholders; (iii) any action, suit or proceeding asserting a claim arising pursuant to the DGCL, the Charter or the Bylaws; or (iv) any action, suit or proceeding asserting a claim governed by the internal affairs doctrine; and (b) subject to the foregoing, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. Notwithstanding the foregoing, such forum selection provisions shall not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal courts of the United States have exclusive jurisdiction. The exclusive forum provision may increase the costs for a stockholder to bring a claim or limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage such lawsuits against us and our directors, officers, and other employees. Alternatively, if a court were to find the choice of forum provision contained in the Charter to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations, and financial condition.

Additionally, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. As noted above, our Charter and the Bylaws provide that the federal district courts of the United States of America shall have jurisdiction over any action arising under the Securities Act. Accordingly, there is uncertainty as to whether a court would enforce such provision. Our stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder.

Anti-takeover provisions in our governing documents and under Delaware law could make an acquisition of us more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our common stock.

The Charter, the Bylaws and Delaware law contain provisions that could have the effect of rendering more difficult, delaying, or preventing an acquisition deemed undesirable by our Board. Among other things, the Charter and/or Bylaws include the following provisions:

- a staggered board, which means that our Board is classified into three classes of directors with staggered three-year terms and directors are only able to be removed from office for cause;
- limitations on convening special stockholder meetings, which could make it difficult for our stockholders to adopt desired governance changes;
- a prohibition on stockholder action by written consent, which means that our stockholders will only be able to take action at a meeting of stockholders and will not be able to take action by written consent for any matter;
- a forum selection clause, which means certain litigation against us can only be brought in Delaware;
- the authorization of undesignated preferred stock, the terms of which may be established and shares of which may be issued without further action by our stockholders; and
- advance notice procedures, which apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders.

These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our management. As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the DGCL, which prevents interested stockholders, such as certain stockholders holding more than 15% of our outstanding common stock, from engaging in certain business combinations unless (i) prior to the time such stockholder became an interested stockholder, the board of directors approved the transaction that resulted in such stockholder becoming an interested stockholder, (ii) upon consummation of the transaction that resulted in such stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the common stock, or (iii) following board approval, such business combination receives the approval of the holders of at least two-thirds of our outstanding common stock not held by such interested stockholder at an annual or special meeting of stockholders.

Any provision of the Charter, the Bylaws or Delaware law that has the effect of delaying, preventing or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock and could also affect the price that some investors are willing to pay for our common stock.

Our management team may not successfully or efficiently manage its transition to being a public company.

As a public company, we have incurred new obligations relating to our reporting, procedures, and internal controls. These new obligations and attendant scrutiny will require investments of significant time and energy from our executives and could divert their attention away from the day-to-day management of our business, which in turn could adversely affect our financial condition or operating results.

The members of our management team have extensive experience leading complex organizations. However, they have limited experience managing a publicly traded company, interacting with public company investors, and complying with the increasingly complex laws, rules and regulations that specifically govern public companies.

We will incur significant increased expenses and administrative burdens as a public company, which could have an adverse effect on its business, financial condition and results of operations.

As a result of the consummation of the Business Combination, we face increased legal, accounting, administrative and other costs and expenses as a public company that we did not incur as a private company. The Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), including the requirements of Section 404, as well as rules and regulations subsequently implemented by the SEC, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and the rules and regulations promulgated and to be promulgated thereunder, Public Company Accounting Oversight Board (the "PCAOB") and the securities exchanges, impose additional reporting and other obligations on public companies. Compliance with public company requirements will increase costs and make certain activities more time-consuming. A number of those requirements have and will require us to carry out activities we have not done previously. For example, we have created new Board committees and will adopt new internal controls and disclosure controls and procedures. In addition, expenses associated with SEC reporting requirements will be incurred. Furthermore, if any issues in complying with those requirements are identified, we could incur additional costs rectifying those issues, and the existence of those issues could adversely affect our reputation or investor perceptions of us. It may also be more expensive to obtain director and officer liability insurance. Risks associated with our status as a public company may make it more difficult to attract and retain qualified persons to serve on the Board or as executive officers. The additional reporting and other obligations imposed by these rules and regulations will increase legal and financial compliance costs and the costs of related legal, accounting and administrative activities. These increased costs will require us to divert a significant amount of money that could otherwise be used to expand the business and achieve strategic objectives. Advocacy efforts by stockholders and third parties may also prompt additional changes in governance and reporting requirements, which could further increase costs.

In addition, the need to establish the corporate infrastructure demanded of a public company may also divert management's attention from implementing our business strategy, which could prevent us from improving our business, results of operations and financial condition. We have made, and will continue to make, changes to our internal control over financial reporting, including IT controls, and procedures for financial reporting and accounting systems to meet our reporting obligations as a public company. However, the measures we take may not be sufficient to satisfy our obligations as a public company. If we do not continue to develop and implement the right processes and tools to manage our changing enterprise and maintain our culture, our ability to compete successfully and achieve our business objectives could be impaired, which could negatively impact our business, financial condition and results of operations. In addition, we cannot predict or estimate the amount of additional costs we may incur to comply with these requirements. We anticipate that these costs will materially increase our general and administrative expenses.

We have concluded that our disclosure controls and procedures were not effective as of December 31, 2023. If we are unable to develop and maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results in a timely manner, which may adversely affect investor confidence in us and materially and adversely affect our business and operating results.

We concluded that our internal control over financial reporting was ineffective as of December 31, 2023 because a material weakness existed in our internal control over financial reporting. Management identified errors related to the completeness and accuracy of financial data, relating to unrecorded liabilities as of December 31, 2023. These errors were corrected prior to the issuance of the consolidated financial statements for the year ended December 31, 2023.

Effective internal controls are necessary for us to provide reliable financial reports and prevent fraud. We continue to evaluate steps to improve our internal control over financial reporting. These remediation measures may be time consuming and costly, and there is no assurance that these initiatives will ultimately have the intended effects.

A material weakness in internal control over financial reporting is a deficiency, or a combination of deficiencies, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented, or detected and corrected on a timely basis. If we identify any material weaknesses in internal control over financial reporting, any such 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. We cannot assure you that the measures we have taken to date, or any measures we may take in the future, will be sufficient to avoid potential future material weaknesses.

To address this material weakness, management has devoted, and plans to continue to devote, significant effort and resources to the remediation and improvement of its internal controls over financial reporting, including the addition of qualified accounting personnel in charge of period-end close procedures, accrued liability estimates, and improvement of internal communications within the Company as it relates to the impact of new and outstanding contractual arrangements. We can offer no assurance that these initiatives will ultimately have the intended effects.

Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud.

We designed our disclosure controls and procedures to reasonably assure that information we must disclose in reports we file or submit under the Exchange Act is accumulated and communicated to management, and recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures or internal controls and procedures, no matter how well-conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls.

Changes in accounting rules and regulations, or interpretations thereof, could result in unfavorable accounting charges or require us to change our compensation policies.

Accounting methods and policies for public companies are subject to review, interpretation and guidance from our independent registered accounting firm and relevant accounting authorities, including the SEC. Changes to accounting methods or policies, or interpretations thereof, may require us to reclassify, restate or otherwise change or revise our consolidated financial statements.

We will need to improve our operational and financial systems to support our expected growth, increasingly complex business arrangements, and rules governing revenue and expense recognition and any inability to do so will adversely affect our billing and reporting.

To manage the expected growth of our operations and increasing complexity, we will need to improve our operational and financial systems, procedures, and controls and continue to increase systems automation to reduce reliance on manual operations. Any inability to do so will affect our manufacturing operations, customer billing and reporting. Our current and planned systems, procedures and controls may not be adequate to support our complex arrangements and the rules governing revenue and expense recognition for our future operations and expected growth. Delays or problems associated with any improvement or expansion of our operational and financial systems and controls could adversely affect our relationships with our customers, cause harm to our reputation and brand and could also result in errors in our financial and other reporting. We expect that complying with these rules and regulations will substantially increase our legal and financial compliance costs and will make some activities more time-consuming and costly. These increased costs will increase our net loss and we cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements.

Our management has limited experience in operating a U.S.-listed public company.

Our management has limited experience in the management of a U.S.-listed public company. Our management team may not successfully or effectively manage our transition to a U.S.-listed public company that will be subject to significant regulatory oversight and reporting obligations under federal securities laws. Their limited experience in dealing with the increasingly complex laws pertaining to public companies could be a significant disadvantage in that it is likely that an increasing amount of their time may be devoted to these activities which will result in less time being devoted to the management and growth of the combined company. We may not have adequate personnel with the appropriate level of knowledge, experience, and training in the accounting policies, practices or internal controls over financial reporting required of U.S.-listed public companies. The development and implementation of the standards and controls necessary for the combined company to achieve the level of accounting standards required of a public company listed on a public exchange in the United States may require costs greater than expected. It is possible that we will be required to expand our employee base and hire additional employees to support our operations as a public company, which will increase our operating costs in future periods.

We are an "emerging growth company," and our reduced SEC reporting requirements may make our shares less attractive to investors.

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 ("JOBS Act"). We will remain an "emerging growth company" until the earliest to occur of (i) the last day of the fiscal year (a) following the fifth anniversary of the of the date of the completion of the ACAB IPO, (b) in which we have total annual gross revenue of at least $1.235 billion or (c) in which we are deemed to be a large accelerated filer, which means the market value of our Common Stock held by non-affiliates exceeds $700 million as of the last business day of our prior second fiscal quarter, and (ii) the date on which we issued more than $1.0 billion in non-convertible debt during the prior three-year period. We intend to take advantage of exemptions from various reporting requirements that are applicable to most other public companies, such as an exemption from the provisions of Section 404(b) of the Sarbanes-Oxley Act requiring our independent registered public accounting firm provide an attestation report on the effectiveness of our internal control over financial reporting and reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We cannot predict if investors will find our shares less attractive because we intend to rely on certain of these exemptions and benefits under the JOBS Act. If some investors find our shares less attractive as a result, there may be a less active, liquid and/or orderly trading market for our shares and the market price and trading volume of our shares may be more volatile and decline significantly.

Risks Related to an Investment in of Our Securities

An active market for our securities may not develop, which would adversely affect the liquidity and price of our securities.

The price of our securities may vary significantly due to factors specific to us as well as to general market or economic conditions. Furthermore, an active trading market for our securities may never develop or, if developed, it may not be sustained. You may be unable to sell your securities unless a market can be established and sustained.

Our failure to meet Nasdaq's continued listing requirements could result in a delisting of our shares.

If we fail to satisfy Nasdaq's continued listing requirements, such as the corporate governance requirements or the minimum closing bid price requirement, Nasdaq may take steps to delist our shares. Such a delisting would likely have a negative effect on the price of our shares and would impair your ability to sell or purchase our shares when you wish to do so. In the event of a delisting, we can provide no assurance that any action taken by us to restore compliance with listing requirements would allow our shares to become listed again, stabilize the market price or improve the liquidity of our shares, prevent our shares from dropping below Nasdaq's minimum bid price requirement or prevent future non-compliance with Nasdaq's listing requirements.

If Nasdaq delists our securities from trading on its exchange and we are not able to list our securities on another national securities exchange, we expect our securities could be quoted on an over-the-counter market. If this were to occur, we could face significant material adverse consequences, including:

- a limited availability of market quotations for our securities;
- reduced liquidity for our securities;
- a determination that our Common Stock is "penny stock" which will require brokers trading in the Common Stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities;
- a limited amount of news and analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

The Common Stock being registered in this prospectus represent a substantial percentage of our public float and of our outstanding Common Stock, and the sale of such shares could cause the market price of Common Stock to decline significantly.

This prospectus also relates to the offer and resale from time to time, upon the expiration of lock-up agreements, if applicable, by the Selling Securityholders of (a) of up to an aggregate of 31,785,312 shares of Common Stock, consisting of (i) an aggregate of 1,122,467 shares of Common Stock, issued in the PIPE Offering to the PIPE Investors pursuant to the terms of individual subscription agreements, in connection with the Business Combination at $10.00 per share, (ii) an aggregate of 2,244,934 shares of Common Stock issued to the PIPE Investors as incentive shares for participating in the PIPE Offering for no additional consideration, (iii) 350,000 shares of Common Stock issued to Pillsbury Winthrop Shaw Pittman LLC in consideration for legal services provided to ACAB issued at a value of $10.00 per share, (iv) 600,000 shares of Common Stock issued to Cantor in satisfaction of Cantor's deferred underwriting fee from the ACAB IPO at a value of $10.00 per share, (v) 100,000 shares of Common Stock issued to Roth Capital Partners, LLC for advisory services at a value of $10.00 per share, (vi) 32,852 shares of Common Stock issued to Brookline Capital, in partial satisfaction of financial advisory fees at a value of $10.00 per share, (vii) 360,000 shares of Common Stock issued to Polar Multi-Strategy Master Fund at a value of $10.00 per share in satisfaction of an outstanding loan, (viii) 200,000 shares to Cohen at a value of $10.00 per share, (ix) 600,601 shares of Common Stock issued to the Sponsor in satisfaction of a working capital note issued to ACAB for aggregate consideration of approximately $2.0 million, or approximately $3.33 per share, and (x) 600,000 shares of Common Stock issued to Mr. Chan, New Abpro's Chief Executive Officer, in satisfaction of an approximately $2.0 million promissory note of Abpro Corporation, at a value of $3.33 per share, (xi) an aggregate of 5,973,558 shares of Common Stock that were originally issued as ACAB's Series B common stock that were subsequently converted into ACAB's Series A common stock on April 18, 2023, consisting of (A) 5,673,558 shares of Common Stock originally issued to the Sponsor at a value of $0.0035 per share, comprised of (w) 983,333 shares of which were transferred to Abpro Bio International, Inc. ("**Abpro Bio**") in connection with Closing, (x) 983,333 shares of which were transferred to Abpro Corporation's designees in connection with Closing, (y) 825,225 shares of which were transferred to ACAB's designees in connection with Closing, and (z) 2,881,667 shares retained by the Sponsor, (B) 50,000 shares of Common Stock issued to Apeiron Investment Group Ltd. at a value of $7.25 per share, and (C) 250,000 shares of Common Stock transferred from the Sponsor to former directors of ACAB for no additional consideration on October 25, 2021, (xii) an aggregate of 9,498,900 shares of Common Stock issued as Merger Consideration (defined below) to officers and directors of the Company at a value of $10.00 per share, (xiii) up to 10,102,000 shares of Common Stock issuable pursuant to the SEPA with Yorkville, which represents the number of shares of Common Stock representing the Exchange Cap (as defined in the SEPA), including 297,160 shares of Common Stock issued to Yorkville as commitment shares pursuant to the terms of the SEPA (the "Commitment Shares"); and (b) the Selling Warrantholders named in this prospectus of up to an aggregate of 13,850,000 Placement Warrants.

The Common Stock being registered for resale in this prospectus represent a substantial percentage of our public float and of our outstanding Common Stock. The number of shares being registered in this prospectus (which include shares issuable upon exercise of the Warrants and shares issuable pursuant to the SEPA) represents approximately 117.0% of the total Common Stock outstanding as of December 23, 2024, which was 51,815,765 shares of Common Stock. In addition, the securities beneficially owned by the Sponsor represent approximately 6.7% of the total Common Stock outstanding, and this holder will have the ability to sell all of its shares pursuant to the registration statement of which this prospectus forms a part so long as it is available for use upon expiration of the six month lockup period. The sale of the securities being registered in this prospectus, or the perception in the market that such sales may occur, could result in a significant decline in the public trading price of our Common Stock.

In addition, some of the shares being registered for resale were acquired by the Selling Securityholders for nominal consideration or purchased for prices considerably below the current market price of the Common Stock. Even though the current market price is significantly below the price at the time of the ACAB IPO, certain Selling Securityholders have an incentive to sell because they will still profit on sales due to the lower price at which they acquired their shares as compared to the public investors. In particular, the Sponsor may experience a positive rate of return on the securities they purchased due to the differences in the purchase prices described above, to the extent they acquired such securities for less than the relevant trading price, and the public securityholders may not experience a similar rate of return on the securities they purchased due to the differences in the purchase prices described above. Based on the last reported sale price of Common Stock of $2.07 on December 20, 2024, shares acquired for less than such last reported sale price, the Selling Securityholders may experience potential profit up to $2.07 per share.

The market price of our Common Stock may decline following the Business Combination.

The market price of our Common Stock may decline following the Business Combination for a number of reasons including if:

- investors react negatively to the prospects of our business;
- the effect of the Business Combination on our business and prospects is not consistent with the expectations of financial or industry analysts; or
- we do not achieve the perceived benefits of the Business Combination as rapidly or to the extent anticipated by financial or industry analysts.

If securities or industry analysts do not publish research or reports about our business or publish negative reports about our business, our share price and trading volume could decline.

The trading market for our shares will depend on the research and reports that securities or industry analysts publish about us or our business. Currently, we do not have any analyst coverage and may not obtain analyst coverage in the future. In the event we obtains analyst coverage, we will not have any control over such analysts. If one or more of the analysts who cover us downgrade our shares or change their opinion of our shares, the share price would likely decline. If one or more of these analysts cease coverage of us or we or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our share price or trading volume to decline.

Our Common Share price may decline and you could lose all or part of your investment as a result.

The trading price of our Common Stock is likely to be volatile. The stock market recently has experienced extreme volatility. This volatility often has been unrelated or disproportionate to the operating performance of particular companies. You may not be able to resell your Common Stock at an attractive price due to a number of factors such as those listed in "— *Risks Related to Our Business and Industry*" and the following:

- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from our competitors;
- changes in expectations as to our future financial performance, including financial estimates and investment recommendations by securities analysts and investors;
- declines in the market prices of stocks generally;
- strategic actions by us or our competitors;
- announcements by us or our competitors of significant contracts, acquisitions, joint ventures, other strategic relationships or capital commitments;

- announcements of estimates by third parties of actual or anticipated changes in the size of our customer base or the level of customer engagement;
- any significant change in our management;
- changes in general economic or market conditions or trends in our industry or markets;
- changes in business or regulatory conditions, including new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- additional securities being sold or issued into the market by us or any of the existing shareholders or the anticipation of such sales, including if we issue shares to satisfy restricted stock unit related tax obligations or if existing shareholders sell shares into the market when applicable "lock-up" periods end;
- investor perceptions of the investment opportunity associated with our Common Stock relative to other investment alternatives;
- the public's response to press releases or other public announcements by us or third parties, including our filings with the SEC;
- litigation involving us, our industry, or both, or investigations by regulators into our operations or those of our competitors;
- guidance, if any, that we provide to the public, any changes in this guidance or our failure to meet this guidance;
- the development and sustainability of an active trading market for our Common Stock;
- the market's reaction to our reduced disclosure and other requirements as a result of being an "emerging growth company" under the Jumpstart Our Business Startups Act (the "JOBS Act");
- the size of our public float;
- actions by institutional or activist shareholders;
- developments in new legislation and pending lawsuits or regulatory actions, including interim or final rulings by judicial or regulatory bodies;
- changes in senior management or key personnel;
- changes in accounting standards, policies, guidelines, interpretations or principles; and
- other events or factors, including those resulting from pandemics, natural disasters, war, acts of terrorism or responses to these events.

These broad market and industry fluctuations may adversely affect the market price of our Common Stock, regardless of our actual operating performance. In addition, price volatility may be greater if the public float and trading volume of our Common Stock is low. In the past, following periods of market volatility, shareholders have instituted securities class action litigation. If we are involved in securities litigation, it could have a substantial cost and divert resources and the attention of executive management from our business regardless of the outcome of such litigation.

Concentration of ownership among existing executive officers, directors and their affiliates, including the investment funds they represent, may prevent new investors from influencing significant corporate decisions.

Our executive officers, directors and their affiliates, including the investment funds they represent, as a group beneficially own approximately 18.1% of New Abpro's Common Stock. As a result, these stockholders will be able to exercise a significant level of control over all matters requiring stockholder approval, including the election of directors, amendment of the Charter and approval of significant corporate transactions. This control could have the effect of delaying or preventing a change of control of our company or changes in management and will make the approval of certain transactions difficult or impossible without the support of these stockholders.

Because there are no current plans to pay cash dividends on our Common Stock for the foreseeable future, you may not receive any return on investment unless you sell your Common Stock at a price greater than what you paid for it.

We intend to retain future earnings, if any, for future operations, expansion and debt repayment, and there are no current plans to pay any cash dividends for the foreseeable future. The declaration, amount and payment of any future dividends on our Common Stock will be at the sole discretion of our Board. Our Board may take into account general and economic conditions, our financial condition and results of operations, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax and regulatory restrictions, implications of the payment of dividends by us to our shareholders or by our subsidiaries to us and such other factors as our Board may deem relevant. As a result, you may not receive any return on an investment in our Common Stock unless you sell your Common Stock for a price greater than that which you paid for it.

Our shareholders may experience dilution in the future.

The percentage of our Common Stock owned by current shareholders may be diluted in the future because of equity issuances for acquisitions, capital market transactions or otherwise, including, without limitation, equity awards that we may grant to our directors, officers and employees, exercise of our warrants. Such issuances may have a dilutive effect on our earnings per share, which could adversely affect the market price of our Common Stock.

If securities or industry analysts do not publish research or reports about our business, if they change their recommendations regarding our Common Stock or if our operating results do not meet their expectations, our Common Stock price and trading volume could decline.

The trading market for our Common Stock will depend in part on the research and reports that securities or industry analysts publish about us or our businesses. If no securities or industry analysts commence coverage of us, the trading price for our Common Stock could be negatively impacted. In the event securities or industry analysts initiate coverage, if one or more of the analysts who cover us downgrade our securities or publish unfavorable research about its businesses, or if our operating results do not meet analyst expectations, the trading price of our Common Stock would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our Common Stock could decrease, which might cause our Common Share price and trading volume to decline.

Future sales, or the perception of future sales, by us or our shareholders in the public market could cause the market price for our Common Stock to decline.

The sale of our Common Stock in the public market, or the perception that such sales could occur, could harm the prevailing market price of our Common Stock. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that it deems appropriate.

In connection with the Business Combination, pursuant to the Abpro Lock-Up Agreements, certain Abpro stockholders agreed that they will not, during the period beginning at the Effective Time and continuing to and including the date that is one (1) year after the date of the Effective Time, subject to earlier release conditions, directly or indirectly, offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of any shares of Common Stock, or any options or warrants to purchase any shares of Common Stock, or any securities convertible into, exchangeable for or that represent the right to receive shares of Common Stock, or any interest in any of the foregoing (in each case, subject to certain exceptions set forth in the Abpro Lock-Up Agreements). The 600,601 Additional Sponsor Shares issued to the Sponsor at Closing pursuant to Amendment No. 1 to the Business Combination Agreement are not subject to the Abpro Lock-Up Agreements.

Upon the expiration or waiver of the lock-ups described above, shares held by certain of our stockholders will be eligible for resale, subject to, in the case of certain stockholders, volume, manner of sale and other limitations under Rule 144. In addition, pursuant to the Registration Rights Agreement, the Selling Securityholders, by exercising their registration rights and selling a large number of shares, pursuant to the registration statement of which this prospectus forms a part, could cause the prevailing market price of our Common Stock to decline. The shares covered by registration rights represent approximately 15% of our outstanding common stock.

The sale of the securities being registered pursuant to the registration statement of which this prospectus forms a part, or the perception in the market that such shales may occur, could result in a significant decline in the market price of shares of our Common Stock. These factors could also make it more difficult for us to raise additional funds through future offerings of our shares of Common Stock or other securities.

In addition, the shares of our Common Stock reserved for future issuance under the New Abpro Incentive Plan will become eligible for sale in the public market once those shares are issued, subject to provisions relating to various vesting agreements, lock-up agreements and, in some cases, limitations on volume and manner of sale applicable to affiliates under Rule 144, as applicable. The number of shares reserved for future issuance under the New Abpro Incentive Plan is 6,240,773 shares of Common Stock. In addition, the New Abpro Incentive Plan includes an evergreen feature that will allow our Board, in its sole discretion, to reserve additional shares of Common Stock for future issuance under the New Abpro Incentive Plan each calendar year, Beginning January 1, 2026 and ending on and including January 1, 2034 equal to the lesser of 5% of the shares of Common Stock outstanding on the final day of the immediately preceding calendar year and a smaller number of shares determined by the Board. We expect to file one or more registration statements on Form S-8 under the Securities Act to register shares of our Common Stock or securities convertible into or exchangeable for shares of our Common Stock issued pursuant to the New Abpro Incentive Plan. Any such Form S-8 registration statements will automatically become effective upon filing. Accordingly, shares registered under such registration statements will be available for sale in the open market.

In the future, we may also issue its securities in connection with investments or acquisitions. The amount of Common Stock issued in connection with an investment or acquisition could constitute a material portion of the then-outstanding Common Stock. Any issuance of additional securities in connection with investments or acquisitions may result in additional dilution to our shareholders.

Sales of our Common Stock, or the perception of such sales, pursuant to the registration statement of which this prospectus forms a part may have negative pressure on the public trading price of our Common Stock.

The Selling Securityholders will determine the timing, pricing and rate at which they sell the shares being registered for resale on the registration statement of which this prospectus forms a part into the public market. Significant sales of Common Stock pursuant to the registration statement of which this prospectus forms a part may have negative pressure on the public trading price of our Common Stock. The number of shares being registered in this prospectus (which include shares issuable upon exercise of the Warrants and shares issuable pursuant to the SEPA) represents approximately 117.0% of the total Common Stock outstanding as of December 23, 2024, which was 51,815,765 shares of Common Stock. Also, even though the current trading price is significantly below the Company's initial public offering price, based on the closing price of our Common Stock on December 20, 2024, certain private investors may have an incentive to sell their shares, because they will still profit on sales due to the lower prices at which they purchased their shares as compared to the public investors.

On December 20, 2024, the closing price of the Common Stock was $2.07 per share. The initial public offering price of our units was $10.00 per unit, with each unit consisting of one Common Share and one half of one Public Warrant to purchase one Common Share at an exercise price of $11.50 per share.

While certain Selling Securityholders may experience a positive rate of return based on the current trading price of our Common Stock, public securityholders may not experience a similar rate of return on the securities they purchased due to differences in the purchase prices and the current trading price of our Common Stock. Based on the closing price of the Common Stock on December 20, 2024, which was $2.07 per share, and assuming the resale by the Selling Securityholders of all 31,785,312 shares of Common Stock being registered on the registration statement of which this prospectus forms a part, the Selling Securityholders could earn approximately $65.8 million in aggregate proceeds from the resale of such shares. The PIPE Shares were purchased at an effective price of $10.00 per share, however, incentive shares transferred to such PIPE Investor may meaningfully lower the per share price the PIPE Investor paid for his shares to approximately $3.33 (assuming the PIPE Investor had retained all Incentive Shares). The Founder Shares were purchased for an aggregate price of $25,000, or $0.0035 per share, and, therefore, based on the closing price of the Common Stock on December 20, 2024, holders of such shares would earn an aggregate profit of approximately $11.7 million from the resale of such shares. The 350,000 shares of Common Stock issued to Pillsbury Winthrop Shaw Pittman LLC in consideration for legal services provided to ACAB were issued at a value of $10.00 per share. The 600,000 shares of Common Stock issued to Cantor in satisfaction of Cantor's deferred underwriting fee from the ACAB IPO were issued at a value of $10.00 per share. The 100,000 shares of Common Stock issued to Roth Capital Partners, LLC for advisory services were issued at a value of $10.00 per share, the 32,852 shares of Common Stock issued to Brookline Capital, in partial satisfaction of financial advisory fees were issued at a value of $10.00 per share, the 360,000 shares of Common Stock issued to Polar Multi-Strategy Master Fund for satisfaction of a loan were issued at a value of $10.00, and the 200,000 shares to J.V.B. Financial Group, LLC for advisory services were issued at a value of $10.00 per share. The 600,601 shares of Common Stock issued to the Sponsor in satisfaction of a working capital note issued to ACAB for aggregate consideration of approximately $2.0 million, were issued at a value of approximately $3.33 per share. The 600,000 shares of Common Stock issued to Mr. Chan, in satisfaction of an approximately $2.0 million promissory note of Abpro Corporation were issued at a value of $3.33 per share. The 5,973,558 shares of Common Stock that were originally issued as ACAB's Series B common stock that were subsequently converted into ACAB's Series A common stock on April 18, 2023 were issued at a value of $0.0035 per share. The 50,000 shares of Common Stock issued to Apeiron Investment Group Ltd. were issued at a value of $7.25 per share, and the 250,000 shares of Common Stock transferred from the Sponsor to former directors of ACAB on October 25, 2021, was for no additional consideration. The of 9,498,900 shares of Common Stock issued as Merger Consideration (defined below) to officers and directors of the Company were issued at a value of $10.00 per share.

The 50,000,000 shares of Common Stock held by the Company Owners and registered herein were received as merger consideration shares in connection with the Business Combination at approximately $10.00 per share and are subject to the 12-month lock-up restrictions described herein. The 13,850,000 shares of Common Stock issuable upon exercise of the Placement Warrants will be issued at a price of $11.50 per share (the exercise price of the Placement Warrants) and, therefore, based on the closing price of the Common Stock on December 20, 2024, such holders would not earn any profit from the resale of such shares.

The unaudited pro forma financial information included herein is not indicative of what our actual financial position or results of operations would have been.

The unaudited pro forma financial information included herein is presented for illustrative purposes only and is not necessarily indicative of what our actual financial position or results of operations would have been had the Business Combination been completed on the dates indicated.

There is no guarantee that the warrants will ever be in the money; they may expire worthless or the terms of warrants may be amended.

The exercise price for the warrants is $11.50 per ordinary share. There is no guarantee that the Public Warrants will ever be in the money prior to their expiration, and as such, the warrants may expire worthless.

In addition, our warrants were issued in registered form under a warrant agreement between Continental Stock Transfer & Trust Company, as warrant agent, and ACAB. The warrant agreement provides that the terms of the warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision, but requires the approval by the holders of at least 50% of the then-outstanding Public Warrants to make any change that adversely affects the interests of the registered holders of Public Warrants. Accordingly, we may amend the terms of the Public Warrants in a manner adverse to a holder if holders of at least 50% of the then-outstanding Public Warrants approve of such amendment. Although our ability to amend the terms of the Public Warrants with the consent of at least 50% of the then-outstanding Public Warrants is unlimited, examples of such amendments could be amendments to, among other things, increase the exercise price of the warrants, convert the warrants into cash or stock (at a ratio different than initially provided), shorten the exercise period or decrease the number of shares of our Common Stock purchasable upon exercise of a warrant.

Our Warrant Agreement designates the courts of the State of New York or the United States District Court for the Southern District of New York as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by holders of our warrants, which could limit the ability of warrant holders to obtain a favorable judicial forum for disputes with us.

Our Warrant Agreement provides that, subject to applicable law, (i) any action, proceeding or claim against Pono arising out of or relating in any way to the warrant agreement, including under the Securities Act, will be brought and enforced in the courts of the State of New York or the United States District Court for the Southern District of New York, and (ii) that we irrevocably submit to such jurisdiction, which jurisdiction shall be the exclusive forum for any such action, proceeding or claim. We will waive any objection to such exclusive jurisdiction and that such courts represent an inconvenient forum.

Notwithstanding the foregoing, these provisions of the warrant agreement will not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal district courts of the United States of America are the sole and exclusive forum. Any person or entity purchasing or otherwise acquiring any interest in any of our warrants shall be deemed to have notice of and to have consented to the forum provisions in our warrant agreement. If any action, the subject matter of which is within the scope the forum provisions of the warrant agreement, is filed in a court other than a court of the State of New York or the United States District Court for the Southern District of New York (a "foreign action") in the name of any holder of our warrants, such holder shall be deemed to have consented to: (x) the personal jurisdiction of the state and federal courts located in the State of New York in connection with any action brought in any such court to enforce the forum provisions (an "enforcement action"), and (y) having service of process made upon such warrant holder in any such enforcement action by service upon such warrant holder's counsel in the foreign action as agent for such warrant holder.

This choice-of-forum provision may limit a warrant holder's ability to bring a claim in a judicial forum that we find favorable for disputes with us, which may discourage such lawsuits. Alternatively, if a court were to find this provision of our warrant agreement inapplicable or unenforceable with respect to one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could materially and adversely affect our business, financial condition and results of operations and result in a diversion of the time and resources of our management and Board.

We may redeem unexpired warrants prior to their exercise at a time that is disadvantageous to warrantholders, thereby making their warrants worthless.

We have the ability to redeem outstanding warrants at any time after they become exercisable and prior to their expiration, at a price of $0.01 per warrant, provided that the last sales price of the Common Stock has been at least $18.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within the 30 trading-day period ending on the third business day prior to the date on which we give notice of such redemption and provided certain other conditions are met. Redemption of the outstanding warrants could force warrantholders (i) to exercise their warrants and pay the exercise price therefor at a time when it may be disadvantageous for them to do so, (ii) to sell their warrants at the then-current market price when they might otherwise wish to hold their warrants or (iii) to accept the nominal redemption price which, at the time the outstanding warrants are called for redemption, is likely to be substantially less than the market value of their warrants. None of the Placement Warrants will be redeemable by us so long as they are held by the Sponsor or its permitted transferees.

There may be sales of a substantial amount of our Common Stock after the Business Combination by current stockholders, and these sales could cause the price of our Common Stock to fall.

Future sales of the Common Stock may cause the market price of its securities to drop significantly, even if its business is doing well.

ACAB entered into a registration rights agreement in connection with the IPO, pursuant to which the holders of Founder Shares, Placement Warrants and any units the Sponsor or ACAB's officers, directors or their affiliates may be issued in payment of working capital loans made to ACAB (and all underlying securities), are entitled to registration rights pursuant to a Registration Rights Agreement dated January 13, 2022, by and among ACAB, the Sponsor and certain other securityholders of ACAB. The holders of a majority of these securities are entitled to make up to three demands that we register such securities. The holders of a majority of the units issued in payment of working capital loans made to us (or underlying securities) can elect to exercise these registration rights at any time. In addition, the holders have certain "piggy-back" registration rights. We will bear the expenses incurred in connection with the filing of any such registration statements.

Upon the effectiveness of this registration statement we are filing pursuant to the registration rights agreement, these parties may sell large amounts of our Common Stock in the open market or in privately negotiated transactions, which could have the effect of increasing the volatility in our Common Stock share price or putting significant downward pressure on the price of our Common Stock.

Sales of substantial amounts of our Common Stock in the public, or the perception that such sales will occur, could adversely affect the market price of our Common Stock and make it difficult for us to raise funds through securities offerings in the future.

Future resales of our Common Stock may cause the market price of our securities to drop significantly, even if our business is doing well.

In connection with the Business Combination, pursuant to the Abpro Lock-Up Agreements, certain Abpro stockholders agreed that they will not, during the period beginning at the immediately prior to the Closing (the "Effective Time") and continuing to and including the date that is one (1) year after the date of the Effective Time, subject to earlier release conditions, directly or indirectly, offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of any shares of Common Stock, or any options or warrants to purchase any shares of Common Stock, or any securities convertible into, exchangeable for or that represent the right to receive shares of Common Stock, or any interest in any of the foregoing (in each case, subject to certain exceptions set forth in the Abpro Lock-Up Agreements). However, the 600,601 Additional Sponsor Shares issued to the Sponsor at closing pursuant to Amendment No. 1 to the Business Combination Agreement are not subject to the Abpro Lock-Up Agreements.

The Sponsor is subject to a lock-up pursuant to a letter agreement, entered into at the time of the IPO, among ACAB, the Sponsor and the other parties thereto, pursuant to which the Sponsor is subject to a lock-up beginning on the Closing and end the earliest of: (a) 12-months from the Closing, (b) the date we consummate a liquidation, merger, share exchange or other similar transaction with an unaffiliated third party that results in all of our shareholders having the right to exchange their Common Stock for cash, securities or other property and (c) the date on which the closing sale price of our Common Stock equals or exceeds $12.00 per share (as adjusted for stock splits, stock dividends, reorganizations and recapitalizations and the like) for any twenty (20) trading days within any thirty (30) trading day period commencing at least one hundred and fifty (150) days after the Closing.

However, following the expiration of such lock-ups, the Sponsor and the holders of Lock-Up Shares will not be restricted from selling our Common Stock held by them, other than by applicable securities laws. As such, sales of a substantial number of Common Stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our Common Stock.

The shares held by Sponsor and the Lock-Up Shareholders may be sold after the expiration of their applicable lock-up periods. As restrictions on resale end and registration statements are available for use, the sale or possibility of sale of these shares could have the effect of increasing the volatility in our Common Stock share price or the market price of our Common Stock could decline if the holders of currently restricted shares sell them or are perceived by the market as intending to sell them.

Our Warrants may not be exercised at all or may be exercised on a cashless basis and we may not receive any cash proceeds from the exercise of the Warrants.

The exercise price of the Warrants may be higher than the prevailing market price of the underlying Common Stock. The exercise price of the Warrants is subject to market conditions and may not be advantageous if the prevailing market price of the underlying Common Stock is lower than the exercise price. The cash proceeds associated with the exercise of Warrants to purchase our Common Stock are contingent upon our stock price. The value of our Common Stock will fluctuate and may not align with the exercise price of the warrants at any given time. If the Warrants are "out of the money," meaning the exercise price is higher than the market price of our common stock, there is a high likelihood that Warrant holders may choose not to exercise their Warrants. As a result, we may not receive any proceeds from the exercise of the Warrants.

Furthermore, with regard to the Warrants, it is possible that we may not receive cash upon their exercise since the Warrants may be exercised on a cashless basis. A cashless exercise allows warrant holders to convert the warrants into shares of our Common Stock without the need for a cash payment. Instead of paying cash upon exercise, the Warrant holder would receive a reduced number of shares based on a predetermined formula. As a result, the number of shares issued through a cashless exercise will be lower than if the Warrants were exercised on a cash basis, which could impact the cash proceeds we receive from the exercise of such warrants.

The Warrants may only be exercised for cash provided there is then an effective registration statement registering the Common Stock issuable upon the exercise of such Warrants. If there is not a then-effective registration statement, then such warrants may be exercised on a "cashless basis," pursuant to an available exemption from registration under the Securities Act.

We may from time to time need additional financing to fund operations and to expand our business, including to pursue acquisitions and other strategic opportunities.

As a result of the Business Combination, we received net proceeds of approximately $2.3 million, net of transaction costs related to the Business Combination of approximately $7.1 million.

We intend to fund our current working capital needs in the ordinary course of business and to continue to expand our business with our existing cash and cash equivalents, and cash flows from operating activities. However, we may from time to time need additional financing to fund operations and to expand our business. We may, from time to time, explore additional financing sources to lower our cost of capital, which could include equity, equity-linked and debt financing. In addition, from time to time, we may evaluate acquisitions and other strategic opportunities. If we elect to pursue any such investments, we may fund them with internally generated funds, bank financing, the issuance of other debt or equity or a combination thereof. There is no assurance that any such financing or funding would be available to us on acceptable terms or at all. Sales of securities registered under the registration statement to which this prospectus forms a part could lower the market price of our Common Stock and warrants. We do not believe this would harm our chances of raising capital, but could affect the sale price and number of securities we need to issue.

There is no assurance that the holders of the Warrants will elect to exercise any or all of the Warrants, which could impact our liquidity position. To the extent that the Warrants are exercised on a "cashless basis," the amount of cash we would receive from the exercise of the Warrants will decrease. We believe the likelihood that Warrant holders will exercise their Warrants, and therefore the amount of cash proceeds that we would receive is, among other things, dependent upon the market price of our Common Stock. If the market price for our Common Stock is less than the applicable exercise price of $11.50, subject to adjustment as described herein, we believe such holders will be unlikely to exercise their Warrants.

USE OF PROCEEDS

All of the securities offered by the Selling Securityholders pursuant to this prospectus will be sold by the Selling Securityholders for their respective accounts. The Company will not receive any of the proceeds from these sales.

The Company will receive up to an aggregate of approximately $331.8 million from the exercise of the Warrants, assuming the exercise in full of all of the Warrants for cash. The Company expects to use the net proceeds from the exercise such warrants for other general corporate purposes. There is no assurance that the holders of the Warrants will elect to exercise any or all of such warrants. To the extent that warrants are exercised on a "cashless basis," the amount of cash we would receive from the exercise of such warrants will decrease. See "*Description of Capital Stock*" for additional information regarding the warrants.

There is no assurance that the holders of the Warrants will elect to exercise any or all of the Warrants, which could impact our liquidity position. We believe the likelihood that Warrant holders will exercise their Warrants, and therefore the amount of cash proceeds that we would receive is, among other things, dependent upon the market price of our Common Stock. If the market price for our Common Stock is less than the applicable exercise price of $11.50, subject to adjustment as described herein, we believe such holders will be unlikely to exercise their Warrants.

The Selling Securityholders will pay any underwriting fees, discounts and selling commissions incurred by such Selling Securityholders in disposing of their Common Stock. Pursuant to the Registration Rights Agreement, the Company will bear all other costs, fees and expenses incurred in effecting the registration of the Common Stock covered by this prospectus, including, without limitation, all registration and filing fees, Nasdaq listing fees and fees and expenses of counsel and independent registered public accountants.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED COMBINED FINANCIAL INFORMATION

As used in this unaudited pro forma condensed combined financial information, "Abpro" refers to Abpro Corporation prior to the Business Combination.

The unaudited pro forma condensed combined financial information has been prepared in accordance with Article 11 of Regulation S-X and presents the combination of the historical financial information of ACAB and Abpro, adjusted to give effect to the Business Combination and the other events contemplated by the Business Combination Agreement. Unless otherwise indicated or the context otherwise requires, references to the "Post-Combination Company" and "New Abpro" refer to the Post-Combination Company and its consolidated subsidiaries after giving effect to the Business Combination.

The unaudited pro forma condensed combined balance sheet as of September 30, 2024, combines the historical balance sheet of ACAB as of September 30, 2024, and the historical balance sheet of Abpro as of September 30, 2024, on a pro forma basis as if the Business Combination and the other related events in connection with the Business Combination Agreement had been consummated on September 30, 2024. The unaudited pro forma condensed combined statement of operations for the nine months ended September 30, 2024, combines the historical statements of operations of ACAB for the nine months ended September 30, 2024, and the historical statements of operations of Abpro for the nine months ended September 30, 2024 on a pro forma basis as if the Business Combination, the other events contemplated by the Business Combination Agreement and the other related events in connection with the Business Combination had been consummated on January 1, 2023, the beginning of the earliest period presented. The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2023, combines the historical statements of operations of ACAB for the year ended December 31, 2023, and the historical statements of operations of Abpro for the year ended December 31, 2023 on a pro forma basis as if the Business Combination and other related events in connection with the Business Combination had been consummated on January 1, 2023, the beginning of the earliest period presented.

The unaudited pro forma condensed combined financial information and accompanying notes have been derived from and should be read in conjunction with:

- the historical unaudited condensed consolidated financial statements of ACAB as of and for the three and nine months ended September 30, 2024, and the related notes, which are included in ACAB's Quarterly Report on Form 10-Q filed with the SEC on November 26, 2024 (the "ACAB 10-Q");
- the historical audited consolidated financial statements of ACAB as of and for the year ended December 31, 2023, and the related notes, which are included in ACAB's Annual Report on Form 10-K/A filed with the SEC on April 1, 2024 (the "ACAB 10-K/A");
- the historical unaudited condensed consolidated financial statements of Abpro as of and for the nine months ended September 30, 2024, and the related notes included herein; and;
- the historical audited consolidated financial statements of Abpro as of and for the year ended December 31, 2023, and the related notes included in ACAB's Registration Statement on Form S-4/A filed with the SEC on October 17, 2024; and
- other information relating to ACAB and Abpro contained in this prospectus, including the Business Combination Agreement and the description of certain terms thereof.

The unaudited pro forma condensed combined financial information should also be read together with the sections of the ACAB 10-K/A and the ACAB 10-Q entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the section of this prospectus entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," as well as other financial information included elsewhere in this prospectus.

Description of the Business Combination

On November 12, 2024, ACAB and Abpro completed a series of transactions that resulted in the combination (the "Closing" of the "Business Combination") of ACAB with Abpro Corporation, a Delaware corporation ("Abpro Corporation"), pursuant to the previously announced Business Combination Agreement, dated December 11, 2023, amended by an amendment dated September 4, 2024 (the "BCA"), by and among ACAB, Abpro Merger Sub Corp., a Delaware corporation and a wholly owned subsidiary of ACAB ("Merger Sub"), and Abpro Corporation, following the approval at the special meeting of the shareholders of ACAB held on November 7, 2024 (the "Special Meeting"). On November 12, 2024, pursuant to the BCA, and as described in greater detail in the Company's final prospectus and definitive proxy statement, which was filed with the U.S. Securities and Exchange Commission (the "SEC") on October 18, 2024 (the "Proxy Statement/Prospectus"), Merger Sub merged with and into Abpro Corporation, with Abpro Corporation surviving the merger as a wholly owned subsidiary of ACAB, and ACAB changed its name to Abpro Holdings, Inc. ("New Abpro"). As consideration for the Business Combination, New Abpro issued to or reserved for Abpro Corporation shareholders an aggregate of approximately 50,000,000 shares of New Abpro common stock, par value $0.0001 per share (the "Common Stock"), consisting of 39,123,200 shares of Common Stock issued to Abpro Corporation shareholders, and 10,872,400 shares of Common Stock reserved for issuance in connection with certain Abpro Corporation rollover RSUs and stock options (collectively, the "Merger Consideration"). In addition, New Abpro issued an aggregate of 3,367,401 shares of Common Stock to the PIPE investors (as described below), an aggregate of 1,282,852 shares of Common Stock to vendors in connection with the Closing, and Atlantic Coastal Acquisition Management II LLC (the "Sponsor") forfeited and New Abpro cancelled 966,442 shares of Common Stock (further described below).

Under the Second Amended Articles of Incorporation of ACAB dated November 12, 2024, each of the outstanding shares of ACAB Series A Common Stock and the outstanding share of ACAB Class B Common Stock was exchanged into one share of Common Stock.

Abpro's 61,099 outstanding common stock warrants expired upon the consummation of the Business Combination.

In connection with the Special Meeting, ACAB shareholders holding 330,276 shares of ACAB's Series A common stock (the "Public Shares") (after giving effect to the share repurchases by Yorkville as described below) exercised their right to redeem their shares for a pro rata portion of the funds in ACAB's trust account (the "Trust Account"). Prior to the Closing approximately $3,752,627 (approximately $11.36 per Public Share) was removed from the Trust Account to pay such holders.

Following the Closing, Abpro's stockholders shall be issued up to 14,500,000 additional shares of the Post- Combination Company common stock ("Earnout Shares") if, within five calendar years after the closing of the Business Combination, the volume weighted average price of shares of Series A Common Stock on Nasdaq, or any other national securities exchange on which the shares of Series A Common Stock are then traded ("VWAP") meets or exceeds three-tier target prices defined in the agreement, as follows:

a) one-third of the total Earnout Shares, if, the VWAP is greater than or equal to $13.00 over any 20 trading days within any consecutive 30 trading day period (the "First Share Target")

b) one-third of the total Earnout Shares, if, the VWAP is greater than or equal to $15.00 over any 20 trading days within any consecutive 30 trading day period (the "Second Share Target")

c) one-third of the total Earnout Shares, if, the VWAP is greater than or equal to $18.00 over any 20 trading days within any consecutive 30 trading day period (the "Third Share Target").

If following the Closing, a Change of Control (as defined in the Business Combination Agreement) occurs on or before the five year anniversary of the Closing Date, then if (i) the per share value of the consideration to be received by stockholders in connection with the Change of Control exceeds $13.00 per share and the First Share Target has not been previously achieved, then the First Share Target will be deemed to have been achieved, (ii) the per share value of the consideration to be received by stockholders exceeds $15.00 per share and the Second Share Target has not been previously achieved, then the Second Share Target will be deemed to have been achieved, and (iii) the per share value of the consideration to be received by stockholders exceeds $18.00 per share and the Third Share Target has not been previously achieved, then the Third Share Target will be deemed to have been achieved. Any Contingency Consideration that is not deemed to be earned in connection with the Change of Control shall be forfeited by the stockholders for no consideration.

These shares are contingently issuable upon the achievement of the set market performance targets. Considering the underlying contingent consideration to be transferred are common stocks, and as such is indexed to the Post-Combination Company's own stock and classified in stockholders' equity in the statement of financial position, we deemed the contingent payments under the earnout provisions to qualify for the scope exception in Accounting Standards Codification ("ASC") 815-10-15-74(a). As a result, the contingent consideration obligation will be recognized when the contingency is resolved, and the consideration is paid or becomes payable and has no impact on the pro forma condensed financial statements.

Concurrently with the execution of the BCA, Abpro and Abpro Bio International, Inc. ("Abpro Bio"), an Abpro stockholder, entered into an agreement (the "Sponsor Share Letter"), pursuant to which Sponsor agreed to, at the Closing Date, (i) retain 2,950,000 shares of Series A Common Stock of ACAB, (ii) retain 291,667 shares, and transfer 983,333 shares to Abpro and 983,333 of the shares Abpro Bio ("Promote Shares"), for such parties to use to obtain non-redemption commitments from SPAC stockholders or other capital for SPAC or the Surviving Corporation (with any shares unused for such purpose to be retained by such party), and (iii) forfeit the remainder of any Series A Common Stock and Series B Common Stock held by Sponsor (or 966,441 Series A shares and 1 Series B shares). It was also agreed in the Sponsor Share Letter that the Sponsor will transfer 200,000 shares to one of ACAB's financial advisors for the services provided prior to the merger date. The transfer of 983,333 shares of ACAB Series A Common Stock to Abpro Bio was reflected in the pro forma condensed financial statements as a part of the recapitalization in conjunction with the Business Combination and this transfer has no financial impact. As it relates to 983,333 shares transferred to Abpro, the corresponding issuance costs will be recorded at the date these shares are transferred to third-party investors against non-redemption or capital commitments. If the 983,333 shares of Series A common stock held by Abpro and 291,667 shares held by the Sponsor are transferred to third-party investors in conjunction with their capital commitments, the maximum related costs to be recorded to additional paid-in capital will be in the amount of approximately $14.3 million (based on the fair value of the ACAB's common stock shares of $11.20 per share at September 30, 2024) with the corresponding decrease in the paid-in-capital.

Under the terms of the BCA, at the Closing of the Business Combination, the Sponsor received 600,601 shares of common stock of New Abpro in exchange for the extinguishment of $2,000,000 advances to ACAB by the Sponsor.

Other Related Events in Connection with the Business Combination

Other related events that took place in connection with the Business Combination are summarized below:

- In connection with the Closing, the PIPE Investors (defined below) received 3,367,401 shares of New Abpro under the PIPE Subscription Agreements (defined below). On August 22, 2024, ACAB entered into subscription agreements with Abpro Bio and Celltrion Inc. ("Celltrion" and together with Abpro Bio, the "PIPE Investors") (the "PIPE Subscription Agreements"). Pursuant to the PIPE Subscription Agreements, at the Closing of the Business Combination, Abpro Bio purchased 622,467 newly-issued shares of New Abpro at a price of $10.00 per share, for an aggregate purchase price of $6,225,670 of which $4,225,663 was through the extinguishment of the balance due to Abpro Bio under the promissory note agreement between Abpro and Abpro Bio, and the remainder of $2,000,007 in cash. In addition, Abpro Bio received an aggregate of 1,244,934 Company Incentive Shares. Celltrion purchased 500,000 newly issued shares of New Abpro common stock, at the closing of the Business Combination, at a price of $10.00 per share, for an aggregate purchase price of $5,000,000. In addition, Celltrion was granted an aggregate of 1,000,000 Company Incentive Shares.

- On November 7, 2024, ACAB and Abpro entered into a Confirmation of an OTC Equity Prepaid Forward Transaction (the "Forward Purchase Agreement") with YA II PN, LTD ("Yorkville"). In connection with the Closing, and pursuant to the terms of the Forward Purchase Agreement, prior to the Closing Date, Yorkville purchased 100,000 shares from third parties ("Recycled Shares"), pursuant to the pricing date notice dated November 12, 2024. At the Closing of the Business Combination, in accordance with the terms of the Forward Purchase Agreement, Yorkville received approximately $1.1 million (the "Prepayment Amount") from the Trust Account, equal to $11.36 per Recycled Share (the "Initial Price").

- In connection with the Closing, approximately $2 million of promissory note liabilities of Abpro were converted into 600,000 New Abpro common stock shares.

Accounting for the Business Combination

Notwithstanding the legal form of the Business Combination pursuant to the Business Combination Agreement, the Business Combination is accounted for as a reverse recapitalization in accordance with US GAAP. Under this method of accounting, ACAB is treated as the acquired company and Abpro is treated as the acquirer for financial reporting purposes. Accordingly, for accounting purposes, the financial statements of the Post-Combination Company represent a continuation of the financial statements of Abpro, with the Business Combination treated as the equivalent of Abpro issuing stock for the net assets of ACAB, accompanied by a recapitalization. The net assets of ACAB are stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Business Combination are those of Abpro. Abpro has been determined to be the accounting acquirer based on an evaluation of the following facts and circumstances:

- the Post-Combination Company Board consists of five directors, four of whom were designated by Abpro and one of whom were designated by ACAB;

- Abpro's existing senior management team comprises the senior management of the Combined Company; and

- Abpro's operations prior to the Business Combination comprise the ongoing operations of the Post-Combination Company as ACAB had minimal operations pre-combination.

Basis of Pro Forma Presentation

The unaudited pro forma condensed combined financial information has been prepared in accordance with Article 11 of Regulation S-X. The adjustments in the unaudited pro forma condensed combined financial information have been identified and presented to provide relevant information necessary for an illustrative understanding of the Post-Combination Company upon consummation of the Business Combination in accordance with GAAP.

Assumptions and estimates underlying the unaudited pro forma adjustments set forth in the unaudited pro forma condensed combined financial information are described in the accompanying notes. The unaudited pro forma condensed combined financial information has been presented for illustrative purposes only and is not necessarily indicative of the operating results and financial position that would have been achieved had the Business Combination occurred on the dates indicated, and does not reflect adjustments for any anticipated synergies, operating efficiencies, tax savings or cost savings. Any cash proceeds remaining after the consummation of the Business Combination and the other events contemplated by the Business Combination Agreement are expected to be used for general corporate purposes. Further, the unaudited pro forma condensed combined financial information does not purport to project the future operating results or financial position of the Post-Combination Company following the consummation of the Business Combination. The unaudited pro forma adjustments represent management's estimates based on information available as of the date of these unaudited pro forma condensed combined financial information and are subject to change as additional information becomes available and analyses are performed. ACAB and Abpro have not had any historical relationship prior to the transactions discussed in this proxy statement/prospectus. Accordingly, no pro forma adjustments were required to eliminate activities between the companies.

The following summarizes the pro forma Post-Combination Company common stock issued and outstanding immediately after the Business Combination:

	Number of Shares	% Ownership
New Abpro shares held by ACAB public stockholders [(1)]	210,993	0.4%
New Abpro shares held by Initial Stockholders	3,782,268	7.5%
New Abpro shares held by investors	2,168,558	4.3%
New Abpro shares held by service providers	1,282,852	2.5%
New Abpro shares issued to PIPE Investors	3,367,401	6.7%
New Abpro shares issued to settle Abpro notes payable - related party	600,000	1.2%
New Abpro shares issued to Abpro shareholders	39,123,200	77.4%
Shares outstanding	50,535,272	100%

(1) Inclusive of 100,000 shares held by Yorkville under the Forward Purchase Agreement (discussed below)

The pro forma table above excludes New Abpro shares reserved for the future issuance of Abpro outstanding options and restricted stock units.

The shares held by the ACAB Initial Stockholders include 7,200,000 Series A common stock shares held by ACAB's sponsor, 300,000 Series A common stock shares which have been transferred to ACAB's directors and Apeiron, and 600,601 Series A common stock shares issued to the Sponsor in extinguishment of $2,000,000 advances by the Sponsor to ACAB. The one share of Series B common stock held by ACAB's sponsor was reduced to zero, due to the share's forfeiture under the terms of the Sponsor Share Letter. The Series A common stock shares held by ACAB's sponsor of 7,200,000 were reduced by 966,441 forfeited shares, 983,333 shares transferred to ABI, 983,333 shares transferred to Abpro, and 200,000 shares transferred to one of ACAB's financial advisors under the terms of the Sponsor Share Letter. As it relates to 983,333 shares transferred to Abpro, the corresponding shares were excluded from the shares outstanding since these shares are held by New Abpro. The 983,333 shares held by Abpro will be included in the shares outstanding on the date these shares are transferred to third-party investors against non-redemption or capital commitments. In addition, on April 4, 2023, ACAB and the Sponsor entered into agreements with several unaffiliated third parties in exchange for them agreeing not to redeem certain public shares of ACAB at the special meeting called by the Company (the "Meeting") to approve an extension of time for the Company to consummate an initial business combination (the "Charter Amendment Proposal"). In exchange for the foregoing commitments not to redeem such shares, the Sponsor has agreed to transfer to such investors an aggregate of 825,225 shares of ACAB held by the Sponsor immediately following consummation of an initial business combination if they continued to hold such Non-Redeemed Shares through the Meeting. As such, at the Closing Date of the Business Combination, 825,225 shares held by the Sponsor were transferred to the investors. Also, on April 10, 2024, the Sponsor entered into a subscription agreement with Polar Multi-Strategy Master Fund ("Polar"), pursuant to which Polar provided the capital contribution to the Sponsor in the amount of $360,000 in exchange for 1 share of the Company's Series A common stock held by the Sponsor for each $1 invested by the Investor as of the closing of the Merger. As such, at the Closing Date of the Business Combination, 360,000 shares held by the Sponsor were forfeited and the corresponding number of New Abpro common stock shares were issued to Polar.

Following the Closing, the Abpro stockholders will have the right to receive the Contingent Consideration upon the occurrence of certain triggering events. Because the Contingent Consideration is contingently issuable based upon the price of Post- Combination Company common stock reaching certain thresholds that have not yet been achieved, the pro forma Post-Combination Company common stock issued and outstanding immediately after the Business Combination excludes the Contingent Consideration.

The following table summarizes the total New Abpro shares issuable to Abpro in connection with the Business Combination.

New Abpro shares issued in merger to Abpro shareholders	39,123,200
Additional New Abpro shares reserved for the future exercise of Abpro options and restricted stock units	10,872,400
Business Combination Consideration	49,995,600
Contingent Consideration	14,500,000
Total New Abpro shares issuable to Abpro shareholders	64,495,600

The total merger consideration received by equityholders of legacy Abpro on the Closing Date equaled the issuance of (or grant of options to purchase) Post-Combination Company equity with an aggregate value equal to approximately $500 million, comprised of (i) 39,123,200 shares of Post-Combination Company common stock, (ii) 10,872,400 shares of Post-Combination Company common stock issuable upon the exercise of options and vesting of restricted stock units, and (iii) 14,500,000 shares of Post-Combination Company common stock issuable upon the Earnout provisions if and when achieved, each multiplied by the deemed value of $10.00 per share.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET AS OF SEPTEMBER 30, 2024
(in thousands)

	ACAB (Historical)	Abpro (Historical)	Transaction Accounting Adjustments	Pro Forma Combined
ASSETS				
Current assets:				
Cash	$ 14	$ 1	$2,545**(1)**	$ 3,281
			$6,430**(3)**	
			$ (4,215)**(5)**	
			$ (210)**(6)**	
			$ (150)**(11)**	
			$ (1,134)**(12)**	
Accounts receivable	-	302	$ -	302
Prepaid expenses and other current assets	19	270	$ -	289
Due from related party - Abpro	103	-	$ (103)**(14)**	-
Deferred offering costs	-	1,817	$ (1,817)**(5)**	-
Cash and marketable securities held in trust account	1,424	-	$ (1,424)**(13)**	-
Total current assets	1,560	2,390	$ (78)	3,872
Cash and marketable securities held in trust account	6,298	-	$ (6,298)**(1)**	-
Restricted cash	-	140	$ -	140
Property and equipment, net	-	42	$ -	42
Right-of-use asset - operating lease	-	558	$ -	558
Security deposits	-	66	$ -	66
Patents	-	179	$ -	179
Forward Purchase Agreement asset	-	-	$ 940**(12)**	940
Total assets	**$ 7,858**	**$ 3,375**	**$ (5,436)**	**$ 5,797**
LIABILITIES, CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' (DEFICIT) EQUITY				
Current liabilities:				
Accounts payable	$ -	$ 5,259	$ (1,817)**(5)**	$ 3,442
Accrued offering costs	5	-	$ -	5
Excise tax payable	3,076	-	$ -	3,076
Accrued expenses	1,739	2,745	$ -	4,484
Advance from related parties	2,270	-	$ (2,000)**(10)**	270
Income taxes payable	366	-	$ -	366
Common stock to be redeemed (126,122 and 2,768,301 shares of Series A common stock, respectively)	1,424	-	$ (1,424)**(13)**	-
Operating lease liability, current	-	601	$ -	601
Notes payable, current - related parties	160	6,672	$ (4,225)**(3)**	363
			$ (2,141)**(11)**	
			$ (103)**(14)**	
Total current liabilities	9,040	15,277	$ (11,710)	12,607
Deferred underwriting fees payable	10,500	-	$ (10,500)**(6)**	-
Total liabilities	19,540	15,277	$ (22,210)	12,607
Commitments and contingencies				
Series A common stock subject to possible redemption	6,128	-	$ (3,753)**(1)**	-
			$ (2,375)**(2)**	
Convertible Preferred stock				
Series F Convertible Preferred Stock	-	9,991	$ (9,991)**(4)**	-
Series E Convertible Preferred Stock	-	29,841	$ (29,841)**(4)**	-
Series D Convertible Preferred Stock	-	17,622	$ (17,622)**(4)**	-
Series C Convertible Preferred Stock	-	14,949	$ (14,949)**(4)**	-
Series B Convertible Preferred Stock	-	1,401	$ (1,401)**(4)**	-
Series A Redeemable, Convertible Preferred Stock	-	1,795	$ (1,795)**(4)**	-
Total convertible preferred stock	-	75,599	$ (75,599)	-
Stockholders' (deficit) equity				
Series A common stock	1	-	$ (1)**(7)**	-
Series B common stock	-	-	$ -	-
Common stock	-	9	$ 1**(3)**	5
			$ 3**(4)**	
			$ (8)**(7)**	
Treasury stock	-	(33)	$ 33**(7)**	-
Additional paid-in-capital	-	21,442	$ 2,375**(2)**	102,104
			$ 10,654**(3)**	
			$ 75,596**(4)**	
			$ (2,365)**(5)**	
			$ 6,720**(6)**	
			$ (24)**(7)**	
			$ (23,933)**(8)**	
			$ 7,648**(9)**	
			$ 2,000**(10)**	
			$ 1,991**(11)**	
Accumulated (deficit) equity	(17,811)	(109,468)	$ (1,850)**(5)**	(109,468)
			$ 3,570**(6)**	
			$ 23,933**(8)**	
			$ (7,648)**(9)**	
			$ (194)**(12)**	
Non-controlling interest	-	549	$ -	549
Total stockholders' deficit	(17,810)	(87,501)	$ 98,501	(6,810)
Total liabilities, convertible preferred stock and stockholders' deficit	**$ 7,858**	**$ 3,375**	**$ (5,436)**	**$ 5,797**

Transaction Accounting Adjustments to Unaudited Pro Forma Condensed Combined Balance Sheet as of September 30, 2024

The transaction accounting adjustments included in the unaudited pro forma condensed combined balance sheet as of September 30, 2024 are as follows:

(1) Reflects the liquidation and reclassification of cash and marketable securities held in the Trust Account that becomes available for general use by the Post-Combination Company following the Business Combination. In addition, in connection with the special meeting of stockholders of ACAB on November 7, 2024 related to the approval of the Merger, stockholders holding 330,276 shares of ACAB Series A Common Stock (net of 100,000 shares repurchased by Yorkville, as discussed below) issued in the Initial Public Offering of ACAB exercised their right to redeem their shares for a pro rata portion of the funds in the Trust Account. Pursuant to the terms of the Forward Purchase Agreement, prior to the closing of the Business Combination, Yorkville repurchased 100,000 Series A Common Stock shares from holders that previously elected to redeem their shares during the redemption period ("Recycled Shares"). As a result, approximately $3.8 million (approximately $11.36 per share) was removed from the Trust Account to pay such holders.

(2) Reflects the transfer of ACAB's Series A Common Stock subject to possible redemptions as of September 30, 2024 to permanent equity.

(3) Reflects the consideration of approximately $6.4 million from the common stock shares issued under the PIPE Subscription Agreements, net of $4.2 million settlement of the balance due to ABI under Abpro's promissory note agreement and $0.6 million of issuance costs.

(4) Reflects the exchange of all Abpro preferred stock (Series A preferred, Series B preferred, and Series C preferred, Series D preferred, Series E preferred, Series F preferred) into Post-Combination Company Common stock pursuant to the conversion rate for such shares of Abpro preferred stock effective immediately prior to the Closing.

(5) Reflects the preliminary estimated payment of direct and incremental transaction costs incurred prior to or concurrent with the Business Combination of approximately $4.2 million (exclusive of the deferred underwriters' discount discussed below) which were to be cash settled upon the Closing in accordance with the Business Combination Agreement. Transaction costs include legal, accounting, financial advisory and other professional fees related to the Business Combination. Of the total cash transaction costs of approximately $4.2 million, approximately $2.4 million are expected to be incurred by Abpro and charged to additional paid-in capital and approximately $1.8 million are to be incurred by ACAB and charged to expenses through accumulated deficit.

(6) Reflects the settlement of $10.5 million deferred payable settled through issuance of 600,000 shares to Cantor, cash payment of $210,000 and forgiveness of the remaining balance. The fair value of the shares was $6.7 million (based on the market value of $11.20 per share as of September 30, 2024) and the excess of $3,570,000 is accounted for as the recovery of accumulated deficit (since the initial accretion to the mezzanine reduced the accumulated deficit). For more information regarding the Cantor deferred underwriting fees, see *"Certain Relationships and Related Party Transactions—ACAB — Deferred Underwriting Fee."*

(7) Reflects the recapitalization of Abpro equity as a result of the exchange of Abpro common stock for the Post-Combination Company Common Stock and the exchange of Series A common stock and Series B common stock of ACAB into common stock shares.

(8) Reflects the elimination of ACAB's accumulated deficit to additional paid-in capital.

(9) Represents approximately $7.6 million of non-cash transaction costs attributable to the payments in 350,000 shares of the Post-combination Company's common stock shares for legal services, 232,852 shares of common stock shares for financial advisory fees, and 100,000 shares of Series A common stock shares for capital advisory services rendered to ACAB in connection with the Merger and payable upon the consummation of the Merger (based on the market value of $11.20 per share as of September 30, 2024).

(10) Reflects the issuance of 600,601 of the Post-combination Company's common stock shares to the Sponsor in exchange for the extinguishment of $2.0 million of the working capital note provided by the Sponsor.

(11) Reflects repayment of $2.1 million in related party loan liabilities outstanding at September 30, 2024, including approximately $2 million in related party loans with an Abpro executive settled through the issuance of 600,000 shares at Closing, and $0.1 million in cash.

(12) Reflect the Prepayment Amount to Yorkville and the fair value of the Forward Purchase Agreement asset. Pursuant to the terms of the Forward Purchase Agreement, on the Closing Date, Yorkville received approximately $1.1 million Prepayment Amount equal to $11.36 per Recycled Share (the "Initial Price"). Based on information available as of the date of this prospectus, certain assumptions, and preliminary accounting analyses that management believes are reasonable under the circumstances, the Forward Purchase Agreement is expected to be accounted for at fair value and result in an asset at the Closing Date. The actual adjustments may materially differ from the pro forma adjustments that appear in this prospectus. The fair value of the combined Company's position under the Forward Purchase Agreement was calculated using the Monte Carlo simulation, based on the following assumptions: The Company's stock price of $11.20 per share as of September 30, 2024, the risk-free rate of 4.73%, the term of three months, and the expected volatility of 100%. The net asset arising from the Forward Purchase Agreement totaled $940,000. The difference between the fair value of the Forward Purchase Agreement asset of $940,000 and the prepayment amount of $1,134,000 was expensed at the Closing Date.

(13) Reflects the redemption of ACAB Series A Common Stock shares in connection with the special meeting of stockholders of ACAB on September 19, 2024, when the stockholders holding 126,122 shares of ACAB Series A Common Stock issued in the Initial Public Offering of ACAB exercised their right to redeem their shares for a pro rata portion of the funds in the Trust Account. As a result, this adjustment reflects approximately $1.4 million (approximately $11.27 per share after removal of interest available to pay taxes) payment to the redeeming shareholders in October 2024.

(14) Reflects the elimination of ACAB's receivable and Abpro's payable related to intercompany advances.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(in thousands, except share and per share data)

	ACAB (Historical)	Abpro (Historical)	Transaction Accounting Adjustments	Pro Forma Combined
Revenue:				
Research and development services	$ -	$ 183	$ -	$ 183
Collaboration revenue	-	-	-	-
Royalty	-	-	-	-
Total revenues	-	183	-	183
Operating expenses				
General and administrative	1,926	4,864	-	6,790
Research and development	-	2,469	-	2,469
Total operating expenses	1,926	7,333	-	9,259
Loss from operations	(1,926)	(7,150)	-	(9,076)
Other income (expense)				
Other income	-	3,556	-	3,556
Interest income	3	3	-	6
Interest earned on marketable securities held in Trust Account	258	-	(258)**(1)**	-
Interest expense	-	(306)	-	(306)
Total other income (expense), net	261	3,253	(258)	3,256
Income (Loss) before provision for income taxes	(1,665)	(3,897)	(258)	(5,820)
Provision for income taxes	(58)	-	58**(1)**	-
Net income (loss)	**$ (1,723)**	**$ (3,897)**	**$ (200)**	**$ (5,820)**
Weighted average shares outstanding of Abpro common stock - basic and diluted		9,389,207		
Basic and diluted net income per share - Abpro common stock - basic and diluted		$ (0.42)		
Basic and diluted weighted average shares outstanding, Non-redeemable common stock	7,500,000			50,535,272
Basic and diluted net income (loss) per share, non-redeemable common stock	$ (0.21)			$ (0.12)
Basic and diluted weighted average shares outstanding, Common stock subject to possible redemption	661,867			
Basic and diluted net income (loss) per common share, Common stock subject to possible redemption	$ (0.21)			

Transaction Accounting Adjustments to Unaudited Pro Forma Condensed Combined Statement of Operations for the Nine Months Ended September 30, 2024

The transaction accounting adjustments included in the unaudited pro forma condensed combined statement of operations for the nine months ended September 30, 2024 are as follows:

(1) Reflects an adjustment to eliminate interest income related to the Trust Account, including elimination of the related income tax expenses.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023
(in thousands, except share and per share data)

	ACAB (Historical)	Abpro (Historical)	Transaction Accounting Adjustments	Pro Forma Combined
Revenue:				
Collaboration revenue	$ -	$ 99	$ -	$ 99
Royalty	-	23	-	23
Total revenues	-	122	-	122
Operating expenses				
General and administrative	1,666	7,602	-	9,268
Research and development	-	4,266	-	4,266
Transaction costs	-	-	1,850**(2)**	9,498
			7,648**(3)**	
Total operating expenses	1,666	11,868	9,498	23,032
Loss from operations	(1,666)	(11,746)	(9,498)	(22,910)
Other income (expense)				
Interest income	52	63	-	115
Interest earned on marketable securities held in Trust Account	5,755	-	(5,755)**(1)**	-
Interest and penalties on tax obligations	(142)	-	-	(142)
Interest expense	-	(23)	-	(23)
Total other income (expense), net	5,665	40	(5,755)	(50)
Income (Loss) before provision for income taxes	3,999	(11,706)	(15,253)	(22,960)
Provision for income taxes	(1,177)	-	1,177**(1)**	-
Net income (loss)	**$ 2,822**	**$ (11,706)**	**$ (14,076)**	**$ (22,960)**
Weighted average shares outstanding of Abpro common stock - basic and diluted		9,356,648		
Basic and diluted net loss per share - Abpro common stock - basic and diluted		$ (1.25)		
Basic and diluted weighted average shares outstanding, Non-redeemable common stock	7,500,000			50,535,272
Basic and diluted net income (loss) per share, non-redeemable common stock	$ 0.15			$ (0.45)
Basic and diluted weighted average shares outstanding, Common stock subject to possible redemption	11,257,894			
Basic and diluted net income (loss) per common share, Common stock subject to possible redemption	$ 0.15			

Transaction Accounting Adjustments to Unaudited Pro Forma Condensed Combined Statement of Operations for the Year Ended December 31, 2023

The transaction accounting adjustments included in the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2023 are as follows:

(1) Reflects an adjustment to eliminate interest income related to the Trust Account, including elimination of the related income tax expenses.

(2) Represents the transaction costs expected to be incurred by ACAB. Since the Business Combination is expected to be accounted for as a reverse merger and recapitalization of Abpro into ACAB, the costs to be incurred by ACAB to consummate the merger are expensed as incurred. This adjustment is non-recurring in nature and is not expected to have a continuing effect on future period statements of operations.

(3) Represents approximately $7.6 million of non-cash transaction costs attributable to the payments in 350,000 Series A common stock shares for legal services, 232,852 of Series A common stock shares for financial advisor services, and 100,000 shares of Series A common stock shares for capital advisory services rendered to ACAB in connection with the Merger and payable upon the consummation of the merger (based on the market value of $11.20 per share as of September 30, 2024). This adjustment is non-recurring in nature and is not expected to have a continuing effect on future period statements of operations.

Notes to Unaudited Pro Forma Condensed Combined Financial Statements

1. Basis of Presentation

The Business Combination is accounted for as a reverse recapitalization in accordance with GAAP. Under this method of accounting, ACAB is treated as the "acquired" company for financial reporting purposes. Accordingly, for accounting purposes, the financial statements of the Post-Combination Company represent a continuation of the financial statements of Abpro, and the Business Combination is treated as the equivalent of Abpro issuing stock for the net assets of ACAB, accompanied by a recapitalization. The net assets of ACAB are stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Business Combination are those of Abpro.

The unaudited pro forma condensed combined balance sheet as of September 30, 2024, combines the historical balance sheet of ACAB as of September 30, 2024, and the historical balance sheet of Abpro as of September 30, 2024, on a pro forma basis as if the Business Combination and the other related events in connection with the Business Combination Agreement had been consummated on September 30, 2024. The unaudited pro forma condensed combined statement of operations for the nine months ended September 30, 2024, combines the historical statements of operations of ACAB for the nine months ended September 30, 2024, and the historical statements of operations of Abpro for the nine months ended September 30, 2024 on a pro forma basis as if the Business Combination, the other events contemplated by the Business Combination Agreement and the other related events in connection with the Business Combination had been consummated on January 1, 2023, the beginning of the earliest period presented. The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2023, combines the historical statements of operations of ACAB for the year ended December 31, 2023, and the historical statements of operations of Abpro for the year ended December 31, 2023 on a pro forma basis as if the Business Combination and other related events in connection with the Business Combination had been consummated on January 1, 2023, the beginning of the earliest period presented.

The unaudited pro forma condensed combined financial information and accompanying notes have been derived from and should be read in conjunction with:

- the historical unaudited condensed consolidated financial statements of ACAB as of and for the three and nine months ended September 30, 2024, and the related notes, which are included in ACAB's Quarterly Report on Form 10-Q filed with the SEC on November 26, 2024 (the "ACAB 10-Q");

- the historical audited consolidated financial statements of ACAB as of and for the year ended December 31, 2023, and the related notes, which are included in ACAB's Annual Report on Form 10-K/A filed with the SEC on April 1, 2024 (the "ACAB 10-K/A");

- the historical unaudited condensed consolidated financial statements of Abpro as of and for the nine months ended September 30, 2024, and the related notes included in this prospectus; and
- the Post-Combination Company Board consists of five directors, four of whom were designated by Abpro and one of whom were designated by ACAB;
- Abpro's existing senior management team comprises the senior management of the Combined Company;
- the historical audited consolidated financial statements of Abpro as of and for the year ended December 31, 2023, and the related notes; and
- other information relating to ACAB and Abpro contained in this Prospectus, including the Business Combination Agreement and the description of certain terms thereof.

The unaudited pro forma condensed combined financial information should also be read together with the sections of the ACAB 10-K/A and the ACAB 10-Q entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the section of this Prospectus entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," as well as other financial information included elsewhere in this Prospectus.

Management has made significant estimates and assumptions in its determination of the pro forma adjustments. As the unaudited pro forma condensed combined financial information has been prepared based on these preliminary estimates, the final amounts recorded may differ materially from the information presented.

The pro forma adjustments are based on information available as of the date of this proxy statement/prospectus and certain assumptions and methodologies that management believes are reasonable under the circumstances. The unaudited condensed pro forma adjustments, which are described in these notes, may be revised as additional information becomes available and is evaluated. Therefore, the actual adjustments may materially differ from the pro forma adjustments that appear in this proxy statement/prospectus. Management considers this basis of presentation to be reasonable under the circumstances.

One-time direct and incremental transaction costs anticipated to be incurred by Abpro prior to, or concurrent with, the Closing are reflected in the unaudited pro forma condensed combined balance sheet as a direct reduction to the Post-Combination Company's additional paid-in capital. Since the Business Combination is expected to be accounted for as a reverse merger and recapitalization of Abpro into ACAB, the costs incurred by ACAB to consummate the merger are expensed as incurred.

2. Transaction Accounting Adjustments to Unaudited Pro Forma Condensed Combined Financial Information

The unaudited pro forma condensed combined financial information has been prepared in accordance with Article 11 of Regulation S-X. The adjustments in the unaudited pro forma condensed combined financial information have been identified and presented to provide relevant information necessary for an illustrative understanding of Abpro upon consummation of the Business Combination in accordance with GAAP. Assumptions and estimates underlying the unaudited pro forma adjustments set forth in the unaudited pro forma condensed combined financial information are described in the accompanying notes to the pro forma schedules.

3. Loss per Share

Represents the net loss per share calculated using the historical shares of ACAB Common Stock outstanding, and the issuance of additional shares in connection with the Business Combination and other related events, assuming all shares were outstanding since January 1, 2023. As the Business Combination and other related events are being reflected as if they had occurred at the beginning of the period presented, the calculation of weighted average shares outstanding for basic and diluted net loss per share assumes that the shares issuable in connection with the Business Combination have been outstanding for the entire period presented. The stock options, restricted stock units and warrants were excluded in the earnings per share calculation as they would be anti-dilutive.

(in thousands, except share and per-share data)	**Nine Months Ended September 30, 2024 Pro Forma Combined**
Pro forma net loss	$ (5,820)
Weighted average shares outstanding-basic and diluted	50,535,272
Net loss per share-basic and diluted [(1)]	$ (0.12)
New Abpro shares held by ACAB public stockholders	210,993
New Abpro shares held by Initial Stockholders	3,782,268
New Abpro shares held by investors	2,168,558
New Abpro shares held by service providers	1,282,852
New Abpro shares issued to PIPE Investors	3,367,401
New Abpro shares issued to settle Abpro notes payable - related party	600,000
New Abpro shares issued to Abpro shareholders	39,123,200
Shares outstanding	50,535,272

(1) The outstanding warrants, stock options and restricted stock units of the Post-Combination Company are anti-dilutive and are not included in the calculation of basic or diluted net loss per share.

(in thousands, except share and per-share data)	**Year Ended December 31, 2023 Pro Forma Combined**
Pro forma net loss	$ (22,960)
Weighted average shares outstanding-basic and diluted	50,535,272
Net loss per share-basic and diluted [(1)]	$ (0.45)
New Abpro shares held by ACAB public stockholders	210,993
New Abpro shares held by Initial Stockholders	3,782,268
New Abpro shares held by investors	2,168,558
New Abpro shares held by service providers	1,282,852
New Abpro shares issued to PIPE Investors	3,367,401
New Abpro shares issued to settle Abpro notes payable - related party	600,000
New Abpro shares issued to Abpro shareholders	39,123,200
Shares outstanding	50,535,272

(1) The outstanding warrants, stock options and restricted stock units of the Post-Combination Company are anti-dilutive and are not included in the calculation of basic or diluted net loss per share.

The following outstanding shares of common stock equivalents are excluded from the computation of pro forma diluted net loss per share for all the periods and scenarios presented as they have an anti-dilutive effect:

ACAB Public Warrants	15,000,000
ACAB Private Warrants	13,850,000
Abpro Stock Options and Restricted Stock Units	10,872,400
Total	**39,722,400**

MARKET INFORMATION FOR COMMON STOCK AND DIVIDEND POLICY

Market Information

Our Common Stock and our Public Warrants are listed on the Nasdaq Global Market under the symbols "ABP" and "ABPWW," respectively. As of December 23, 2024, there were 90 holders of record of our Common Stock.

Dividend Policy

We have not paid any cash dividends on our Common Stock to date. The payment of cash dividends by us in the future will be dependent upon our revenues and earnings, if any, capital requirements and general financial condition. The payment of any dividends will be within the discretion of our Board.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF NEW ABPRO

The following discussion and analysis summarizes the significant factors affecting the consolidated operating results, financial condition, liquidity, and cash flows of our company as of and for the periods presented below. The following discussion and analysis of our financial condition and results of operations should be read together with our consolidated financial statements and the related notes and other financial information included elsewhere in this prospectus. The discussion and analysis should also be read together with the section of this prospectus entitled "Description of New Abpro's Business" and the unaudited pro forma condensed combined financial information in the section of this prospectus entitled "Unaudited Pro Forma Condensed Combined Financial Information." The discussion contains forward- looking statements that are based on the beliefs of management, as well as assumptions made by, and information currently available to, our management. Actual results and timing of selected events could differ materially from those discussed or implied by the forward-looking statements as a result of various factors, including those discussed below and detailed elsewhere in this proxy statement/prospectus, particularly in the sections entitled "Risk Factors" and "Forward-Looking Statements; Summary Risk Factors; Market, Ranking and Other Industry Data."

Unless otherwise indicated or the context otherwise requires, references in this section to "Abpro," "we," "us," "our," "the Company," and other similar terms refer to Abpro Corporation and its subsidiaries prior to the Business Combination and to Abpro Holdings, Inc. following the consummation of the Business Combination on November 13, 2024.

Overview

We are a biotechnology company dedicated to developing next-generation antibody therapeutics with the goal of improving the lives of patients with severe and life-threatening diseases. We are focused on novel antibody constructs for immuno-oncology and ophthalmology. By leveraging our proprietary DiversImmune® and MultiMabTM antibody discovery and engineering platforms, we are developing a pipeline of antibodies, both independently and through collaborations with global pharmaceutical and research institutions.

Our two lead product candidates, ABP-102 and ABP-201, feature our next generation tetravalent antibody format, or TetraBi antibody format, which binds to two different targets with two distinct binding sites per target. ABP-102 is designed to redirect a patient's immune system to fight cancer by engaging T cells through co-targeting human epidermal growth factor receptor 2, or HER2, and cluster of differentiation 3, or CD3, T-cell co-receptor. We plan initially to develop ABP-102 for difficult to treat HER2+ solid tumors, focusing on orphan indications. ABP-201 is designed to block blood vessel formation and normalize damaged vessels through co-targeting vascular endothelial growth factor, or VEGF, and angiopoietin-2, or ANG-2. We plan to develop ABP-201 to treat vascular disease of the eye, focusing on wet age-related macular degeneration (Wet AMD). We intend to follow these two lead product candidates with a broad pipeline of CD3-targeting T-cell engagers based on the differentiated format of ABP-102. We expect to initiate clinical trials for ABP-102 and ABP-201 in 2026.

Recent Developments

On November 13, 2024 (the "Closing Date"), we consummated a business combination pursuant to the terms of the Business Combination Agreement, dated as of December 11, 2023 (the "Business Combination Agreement") by and among the Company, Atlantic Coastal Acquisition Corp. II, a Delaware corporation ("ACAB") and Abpro Merger Sub Corp., a Delaware corporation ("Merger Sub"). Pursuant to the Business Combination Agreement, on the Closing Date, (i) ACAB changed its name to "Abpro Holdings, Inc.," and (ii) Merger Sub merged with and into the Company, with the Company as the surviving company in the Business Combination. After giving effect to the Business Combination, the Company became a wholly owned subsidiary of ACAB.

Impact of Macroeconomic Events

Economic uncertainty in various global markets caused by political instability and conflicts, such as the ongoing conflicts in the Ukraine, and Israel, and economic challenges have led to market disruptions, including significant volatility in commodity prices, credit and capital market instability and supply chain interruptions, which have caused record inflation globally. Our business, financial condition, and results of operations could be materially and adversely affected by further negative impacts on the global economy and capital markets resulting from these global economic conditions, particularly if such conditions are prolonged or worsen. Although, to date, our results of operations have not been materially impacted by these global economic and geopolitical conditions, it is impossible to predict the extent to which our operations may be impacted in the short and long term. The extent and duration of these market disruptions, whether as a result of the military conflict between Russia and Ukraine, the effects of the Russian sanctions, the conflict between Israel and Hamas, geopolitical tensions, record inflation, or otherwise, are impossible to predict. Any such disruptions may also magnify the impact of other risks described or incorporated by reference in this prospectus.

Results of Operations

Results of Operations for the Nine Months Ended September 30, 2024 and 2023

The following is a comparative discussion of our results of operations for the nine months ended September 30, 2024 and 2023 (in thousands):

	For the Nine Months Ended September 30,			
	2024	**2023**	**Change**	**%**
Revenue:				
Research and development services	$ 183	$ -	$ 183	100%
Collaboration revenue	-	52	(52)	-100%
Royalty	-	23	(23)	-100%
Total revenue	183	75	108	144%
Operating expenses:				
Research and development	2,469	3,108	(639)	-21%
General and administrative	4,864	4,899	(35)	-1%
Total operating expenses	7,333	8,007	(674)	-8%
Loss from operations	(7,150)	(7,932)	782	-10%
Other income, net	3,253	45	3,208	7,129%
Net loss	$ (3,897)	$ (7,887)	$ 3,990	51%

Revenue

We did not generate any material collaboration or royalty revenue during the nine months ended September 30, 2024 and 2023. Our research and development services revenue increased by $0.2 million during the nine months ended September 30, 2024 as compared to the nine months ended September 30, 2023, due to the revenue earned from the research and development services performed for Celltrion related to ABP-102 development. No such research and development services revenue was earned during the nine months ended September 30, 2023. Our ability to generate product revenues in the future will depend almost entirely on our ability to successfully develop, obtain regulatory approval for, and then successfully commercialize a drug candidate, or enter into collaborations that provide for payments to us.

Operating Expenses

Research and Development Expenses

Research and development expenses consist primarily of salaries, payroll taxes, employee benefits and stock- based compensation for those individuals involved in research and development efforts, as well as consulting expenses, third-party research and development expenses, laboratory supplies and clinical materials. The following tables summarize our research and development expenses by product candidate and program for the nine months ended September 30, 2024 and 2023 (in thousands):

	For the Nine Months Ended September 30,	
Research and development expenses	**2024**	**2023**
ABP-110	$ 96	$ 278
ABP-102	710	$ 291
ABP-150	19	$ 256
ABP-201	21	$ 189
ABP-100	-	$ 140
SARS-CoV-2 neutralizing antibody program	20	$ 975
Unallocated research and development expenses	1,603	$ 979
Total	**$ 2,469**	**$ 3,108**

Unallocated research and development expenses include engineering platform-related expenses that are not allocable to a specific product candidate or program, as well as stock-based compensation, other employee- related expenses that are not related to a specific product candidate or program, and facilities and depreciation expenses.

Research and development expenses decreased by $0.6 million for the nine months ended September 30, 2024, as compared to the nine months ended September 30, 2023 primarily due to the decrease in expenses associated with the SARS-CoV-2 neutralizing antibody program, partially offset by an increase in expenses associated with the development of ABP-102. The overall decrease in expenses was a result of the Company's reduction in research and development personnel and the use of consulting services.

General and Administrative Expenses

General and administrative expenses consist primarily of compensation and benefits to our personnel, including the costs related to our management services agreements, directors, and senior advisors; professional service fees, including accounting and legal services and other consulting services. General and administrative expenses remained consistent for the nine months ended September 30, 2024, as compared to the nine months ended September 30, 2023, as the increases in salaries, wages, and accounting service expenses were offset by a decrease in legal, consulting, and travel expenses.

Other Income, Net

Other income, net increased to $3.3 million in income for the nine months ended September 30, 2024, from $45 thousand in income for the nine months ended September 30, 2023. This change is primarily due to the reversal of the approximately $3.5 million liability to one of the Company's research and development providers as this provider informed the Company, as they are not pursuing collection on this liability.

Results of Operations for the Years Ended December 31, 2023 and 2022

The following is a comparative discussion of our results of operations for the years ended December 31, 2023 and 2022 (in thousands):

	For the Years Ended December 31,			
	2023	**2022**	**Change**	**%**
Revenue:				
Collaboration revenue	$ 99	$ 1,999	$ (1,900)	-95%
Royalty	23	30	(7)	-23%
Total revenue	122	2,029	(1,907)	-94%
Operating expenses:				
Research and development	4,266	9,754	(5,488)	-56%
General and administrative	7,602	8,960	(1,358)	-15%
Total operating expenses	11,868	18,714	(6,846)	-37%
Loss from Operations	(11,746)	(16,685)	4,939	-30%
Other income (expense), net	40	(200)	240	-120%
Income tax expense	—	(330)	330	-100%
Net loss	$ (11,706)	$ (17,215)	$ 5,509	-32%

Revenue

The collaboration revenue decreased during the year ended December 31, 2023 compared to the prior period by $1.9 million. This decrease was primarily driven by the revenue of $1.9 million recognized under the collaboration agreement with Celltrion related to ABP-102 in 2022. We did not generate any material revenue during the year ended December 31, 2023. Our ability to generate product revenues in the future will depend almost entirely on our ability to successfully develop, obtain regulatory approval for, and then successfully commercialize a drug candidate, or enter into collaborations that provide for payments to us.

Operating Expenses

Research and Development Expenses

Research and development expenses consist primarily of salaries, payroll taxes, employee benefits and stock- based compensation for those individuals involved in research and development efforts, as well as consulting expenses, third-party research and development expenses, laboratory supplies and clinical materials. The following tables summarize our research and development expenses by product candidate and program for the years ended December 31, 2023 and 2022:

	For the Years Ended December 31,	
Research and development expenses	**2023**	**2022**
ABP-110	$ 344	$ 461
ABP-102	311	790
ABP-150	283	366
ABP-201	217	419
ABP-100	137	1,016
SARS-CoV-2 neutralizing antibody program	1,066	5,593
Unallocated research and development expenses	1,908	1,109
Total	**$ 4,266**	**$ 9,754**

Unallocated research and development expenses include engineering platform-related expenses that are not allocable to a specific product candidate or program, as well as stock-based compensation, other employee- related expenses that are not related to a specific product candidate or program, and facilities and depreciation expenses.

Research and development expenses decreased by $5.5 million for the year ended December 31, 2023 as compared to the year ended December 31, 2022 primarily due to:

- A decrease of $4.5 million in expenses associated with the research programs for the development of SARS-CoV-2 neutralizing antibodies responsible for COVID
- A decrease of $0.8 million in milestone payments. In 2022 the Company made payments under the exclusive license agreement with Memorial Sloan Kettering Cancer Center (“MSK”) for the research and development of ABP-100. The MSK License Agreement was terminated in September 2023.

In response to the global pandemic, Abpro prioritized the development of therapeutic COVID-neutralizing antibodies through an internal discovery program and through collaborations with third parties in the form of in- license agreements. Several candidate molecules were evaluated through different stages of development. The most advanced molecule was developed through GMP manufacturing and evaluated in a clinical trial, which represented a significant portion of the Research and development expenses above. However, the clinical trial was not successful. Since the health threats from the COVID pandemic have now decreased, Abpro is not planning to focus on this area at this time.

General and Administrative Expenses

General and administrative expenses consist primarily of compensation and benefits to our personnel, including the costs related to our management services agreements, directors, and senior advisors; professional service fees, including accounting and legal services and other consulting services. General and administrative expenses decreased by $1.4 million for the year ended December 31, 2023 as compared to the year ended December 31, 2022 primarily due to the decrease in stock-based compensation in connection with the issuance of options for consulting services in 2022 with the fair value of $1.7 million that were fully vested at the issuance date. The decrease was offset by an increase of $0.4 million in accounting and audit fees.

Other Income (Expenses), Net

Other income (expenses), net increased by $240 thousand, to $40 thousand in income for the year ended December 31, 2023 from ($200) thousand in expenses for the year ended December 31, 2022. This change is primarily due to $225 thousand in interest expenses attributable to interest accrued on unpaid vendor invoices incurred during the year ended December 31, 2022.

Liquidity, Capital Resources and Going Concern

Through the date of the Business Combination with ACAB, the Company has financed its operations primarily through the sale of equity securities and issuance of promissory notes and, to a lesser extent, through the revenue from collaboration arrangements. Since its inception, the Company has incurred significant recurring losses, including a net loss of $3.9 million and $7.9 million for the nine months ended September 30, 2024, and 2023, respectively. As of September 30, 2024, the Company had an accumulated deficit of $109.5 million. The Company expects to incur operating losses in the foreseeable future.

While the Company completed the Business Combination in November 2024, cash and cash equivalents will be insufficient to fund our operations, including clinical trial expenses and capital expenditure requirements, for at least the next 12 months from the issuance date of our consolidated financial statements as of September 30, 2024. We have concluded that these circumstances raise substantial doubt about our ability to continue as a going concern within one year after the original issuance date of our annual financial statements. The Company is planning to raise additional capital through equity or debt financing to meet its operating cash needs. The Company has based this estimate on assumptions that may prove to be wrong, and the Company could exhaust its available capital resources sooner than it expects. There can be no assurance that any required future funding can be successfully completed on a timely basis or terms acceptable to the Company.

On October 18, 2023, the Company entered into a promissory note agreement with Abpro Bio International, Inc. ("ABI") to fund up to $6 million. The Company received $5.2 million through the date of this filing.

On April 18, 2024, the Company entered into a promissory note agreement with one of its executives to receive, as amended, up to $2.2 million in funding. The Company received $2.0 million through the date of this filing.

On August 16, 2024, an executive at ACAB provided a $103 loan to the Company and the Company agreed to repay a total of $206 at the earlier of i) November 20, 2024, and ii) the closing of the Business Combination. On November 21, 2024, the note was amended and the liability to the ACAB executive was cancelled. According to the terms of the amended note, the Company will repay the principal amount of $103.

On October 7, 2024, the Company entered into an additional promissory note with ABI ("the 2024 ABI Note") to receive up to $1.0 million from ABI in weekly installments of $250. The note accrues 10% interest and matures 5 business days after receipt of the proceeds under the PIPE Subscription Agreements. The Company received $1.0 million under this note as of the Closing Date, and the balance of $1.0 million was repaid in connection with the Closing.

In connection with the Closing of the Business Combination, the Company received approximately $2,300.

Future Funding Requirements

The Company expects its expenses to increase in connection with its ongoing activities, particularly as it advances the preclinical activities and clinical trials of its product candidates. In addition, subsequent to the Closing of the merger, the Company expects to incur additional costs associated with operating as a public company. The timing and amount of the Company's operating expenditures will depend largely on:

- the scope, number, initiation, progress, timing, costs, design, duration, any potential delays, and results of clinical trials and nonclinical studies for the Company's current or future product candidates, particularly the planned Phase 1/2 clinical trial for ABP-102, focusing on HER2+ breast and gastric cancers, as well as Phase 1 clinical trials for ABP-201 for the treatment of Wet AMD;
- the clinical development plans the Company establishes for its product candidates;
- the number and characteristics of product candidates and programs that the Company develops or may in-license;

- the outcome, timing and cost of regulatory reviews, approvals or other actions to meet regulatory requirements established by the FDA and comparable foreign regulatory authorities, including the potential for the FDA or comparable foreign regulatory authorities to require that the Company perform more studies for its product candidates than those that the Company currently expects;
- the Company's ability to obtain marketing approval for its product candidates;
- the cost of filing, prosecuting, defending and enforcing the Company's patent claims and other intellectual property rights covering its product candidates, including any such patent claims and intellectual property rights that the Company has licensed pursuant to the terms of its license agreement;
- the Company's ability to maintain, expand and defend the scope of its intellectual property portfolio, including the cost of defending intellectual property disputes, including patent infringement actions brought by third parties against the Company or its product candidates;
- the cost and timing of completion of commercial-scale outsourced manufacturing activities with respect to the Company's product candidates;
- the Company's ability to establish and maintain licensing, collaboration or similar arrangements on favorable terms and whether and to what extent the Company retains development or commercialization responsibilities under any new licensing, collaboration or similar arrangement;
- the cost of establishing sales, marketing and distribution capabilities for any product candidates for which the Company may receive regulatory approval in regions where the Company chooses to commercialize its products on its own;
- the success of any other business, product or technology that the Company acquires or in which the Company invests;
- the costs of acquiring, licensing or investing in businesses, product candidates and technologies;
- the Company's need and ability to hire additional management and scientific and medical personnel;
- the costs to operate as a public company in the United States, including the need to implement additional financial and reporting systems and other internal systems and infrastructure for the Company's business;
- market acceptance of the Company's product candidates, to the extent any are approved for commercial sale; and;
- the effect of competing technological and market developments.

Until such time, if ever, as the Company can generate substantial product revenue, the Company expects to finance its cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances, and marketing, distribution or licensing arrangements with third parties. To the extent that the Company raises additional capital through the sale of equity or convertible debt securities, the ownership interest of the Company may be materially diluted, and the terms of such securities could include liquidation or other preferences that adversely affect the rights of the Company's stockholders and the rights of the stockholders of the combined organization following the Closing of the merger. Debt financing and preferred equity financing, if available, may involve agreements that include restrictive covenants that limit the Company's ability to take specified actions, such as incurring additional debt, making capital expenditures or declaring dividends. If the Company raises funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, the Company may have to relinquish valuable rights to its technologies, future revenue streams, research programs or product candidates or grant licenses on terms that may not be favorable to the Company. If the Company is unable to raise additional funds through equity or debt financings or other arrangements when needed, the Company may be required to delay, scale back or discontinue the development and commercialization of one or more of its product candidates or delay its pursuit of potential in-licenses or acquisitions.

The following table summarizes our cash flows for the nine months ended September 30, 2024 and 2023:

	For the Nine Months Ended September 30,			
	2024	2023	Change	%
Net cash used in operating activities	$ (5,215)	$ (5,164)	$ (51)	1%
Net cash used in investing activities	$ -	$ (48)	$ 48	-100%
Net cash provided by (used in) financing activities	$ 4,495	$ (165)	$ 4,660	-2824%

Net cash used in operating activities for the nine months ended September 30, 2024, decreased by $0.1 million as compared to the nine months ended September 30, 2023. The decrease was primarily driven by the $0.1 million net changes in operating assets and liabilities mainly attributed to a decrease in accounts payable and accrued expenses due to repayment with limited spending and an increase in accounts receivable due to timing of payments under the collaboration agreement with Celltrion.

Net cash used in investing activities decreased by $48 thousand for the nine months ended September 30, 2024, as compared to the nine months ended September 30, 2023. The Company purchased laboratory equipment during the nine months ended September 30, 2023. No property and equipment was purchased during the nine months ended September 30, 2024.

Net cash provided by financing activities increased by $4.7 million for the nine months ended September 30, 2024, as compared to the nine months ended September 30, 2023. During the nine months ended September 30, 2024, the Company received proceeds of $4.9 million from promissory notes with related parties compared to $0 received during the nine months ended September 30, 2023. The proceeds from the promissory notes were partially offset by $0.4 million in offering costs payments related to the Business Combination with ACAB.

The following table summarizes our cash flows for the years ended December 31, 2023, and 2022:

	For the Years Ended December 31,			
	2023	2022	Change	%
Net cash used in operating activities	$ (7,402)	$ (8,952)	$ 1,550	-17%
Net cash used in investing activities	$ (48)	$ (65)	$ 17	-26%
Net cash provided by financing activities	$ 849	$ 9,784	$ (8,935)	-91%

Net cash used in operating activities for the year ended December 31, 2023 decreased by $1.5 million as compared to the year ended December 31, 2022. The decrease was primarily driven by the decrease in the research and development expenses of approximately $5.5 million, offset by the decrease in share-based compensation of $1.7 million and $2.2 million net changes in operating assets and liabilities mainly attributed to a decrease in accounts payable due to repayment with limited spending and an increase in accounts receivables due to receipt of outstanding AR from a collaboration agreement.

Net cash used in investing activities decreased by $17 thousand for the year ended December 31, 2023 as compared to the year of 2022. The Company purchased the lab equipment for $48 thousand during the year ended December 31, 2023 and capitalized $65 thousand in patent costs during the year ended December 31, 2022.

Net cash provided by financing activities decreased by $8.9 million for the year ended December 31, 2023 as compared to the year ended December 31, 2022. During the year ended December 31, 2023 the Company received proceeds of $1.4 million from a promissory note with ABI as compared to proceeds of $10 million received from the issuance of Series F Preferred Stock in 2022. In addition, the Company paid $0.4 million in offering costs in connection with the Business Combination during the year ended December 31, 2023.

Critical Accounting Policies and Estimates

This discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with US GAAP. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported expenses and net loss incurred during the reporting periods. Our estimates are based on our historical experience and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Our significant accounting policies are described below. We believe that the accounting policies are critical for fully understanding and evaluating our financial condition and results of operations.

Share-Based Compensation

The Company accounts for share-based payments in accordance with Accounting Standard Codification Topic 718, Compensation—Stock Compensation ("ASC 718"). Under ASC 718, the Company measures, and records compensation expenses related to share-based payment awards (to employees and non-employees) based on the grant date fair value using the Black-Scholes option-pricing model. The Company recognizes forfeitures related to employee share-based payments when they occur. Forfeited share-based awards are recorded as a reduction to stock compensation expense.

The determination of the fair value of share-based payment awards utilizing the Black-Scholes model is affected by the stock price and a number of assumptions, including expected volatility, expected term, risk-free interest rate and expected dividends.

In determining the exercise prices of options granted, the Company's Board has considered the fair value of the common stock as of the measurement date. The fair value of the common stock has been determined by the Board at each award grant date based upon a variety of factors, including the results obtained from an independent third-party valuation, the Company's financial position and historical financial performance, the status of technological developments within the Company's proposed products, an evaluation or benchmark of the Company's competition, the current business climate in the marketplace, the illiquid nature of the common stock, arm's length sales of the Company's capital stock, including convertible preferred stock, the effect of the rights and preferences of the preferred stockholders, and then prospects of a liquidity event, among others.

The Company does not have a history of market prices of its common stock, and as such, volatility is estimated using historical volatilities of similar public entities. The peer group was developed based on companies in the biotechnology industry. The Company will continue to apply this process until a sufficient amount of historical information regarding the volatility of its own stock price becomes available. The expected term of the awards is estimated based on the simplified method for grants to employees and is based on the contractual term for non-employee awards. The risk- free interest rate assumption is based on observed interest rates appropriate for the terms of the awards. The dividend yield assumption is based on history and expectation of paying no dividends.

Convertible Preferred Stock

The Company accounts for its convertible preferred stock in accordance with the guidance in ASC Topic 480, "Distinguishing Liabilities from Equity" ("ASC 480"). Preferred stock subject to mandatory redemption (if any) is classified as a liability instrument and is measured at fair value. Conditionally redeemable common stock (including preferred stock that features redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company's control) is classified as temporary equity.

Emerging Growth Company Status

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. Abpro 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, New Abpro, 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 New Abpro'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.

New Abpro will remain an emerging growth company until the earlier of (a) the last day of the fiscal year in which we have total annual gross revenues of $1.235 billion or more; (b) the last day of the fiscal year following the fifth anniversary of the date of the completion of the initial public offering of ACAB; (c) the date on which it has issued more than $1 billion in nonconvertible debt during the previous three years; or (d) the date on which it is deemed to be a large accelerated filer under the rules of the SEC, which means the market value of our common stock that is held by non-affiliates exceeds $700 million as of the prior second fiscal quarter end. For so long as we remain an emerging growth company, it is permitted and intends to rely on exemptions from certain disclosure.

Recent Accounting Pronouncements

See Note 2, *Summary of Significant Accounting Policies* of the Notes to the Financial Statements for a discussion of recent accounting pronouncements.

DESCRIPTION OF NEW ABPRO'S BUSINESS

The following discussion contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. When used in this section, the terms "may," "might," "will," "objective," "intend," "should," "could," "can," "would," "expect," "believe," "estimate," "predict," "potential," "plan," "anticipate," "seek," "future," "strategy," "likely," or the negative of these terms, and similar expressions are intended to identify forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these or any other forward-looking statements. These risks and uncertainties include, but are not limited to, those risks set forth under "Risk Factors." Readers are cautioned not to place undue reliance on these forward-looking statements, which are based on current expectations and reflect management's opinions only as of the date hereof. These forward-looking statements speak only as of the date of hereof. Abpro expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

Unless otherwise indicated or the context otherwise requires, references in this section to "Abpro," the "Company," "we," "us," "our" and other similar terms refer to Abpro Corporation prior to the Business Combination and to New Abpro and its consolidated subsidiaries after giving effect to the Business Combination.

Overview

We are a biotechnology company dedicated to developing next-generation antibody therapeutics with the goal of improving the lives of patients with severe and life-threatening diseases. We are focused on novel antibody constructs for immuno-oncology and ophthalmology. By leveraging our proprietary *DiversImmune*® and *MultiMab*™ antibody discovery and engineering platforms, we are developing a pipeline of next-generation antibodies, both independently and through collaborations with global pharmaceutical and research institutions. Our two lead product candidates, ABP-102 and ABP-201, feature our next generation tetravalent antibody format, or TetraBi antibody format, which binds to two different targets with two distinct binding sites per target. ABP-102 is designed to redirect a patient's immune system to fight cancer by engaging T cells through co-targeting human epidermal growth factor receptor 2, or HER2, and cluster of differentiation 3, or CD3, T-cell co-receptor. We plan initially to develop ABP-102 for difficult to treat HER2+ solid tumors, focusing on orphan indications. ABP-201 is designed to block blood vessel formation and normalize damaged vessels through co-targeting vascular endothelial growth factor, or VEGF, and angiopoietin-2, or ANG-2. We plan to develop ABP-201 to treat vascular disease of the eye, focusing on wet age-related macular degeneration (Wet AMD). We intend to follow these two lead product candidates with a broad pipeline of CD3-targeting T-cell engagers based on the differentiated format of ABP-102. We expect to initiate clinical trials for ABP-102 in the first half of 2026 and in the second half of 2026 for ABP-201.

ABP-102 is being developed and commercialized through a worldwide strategic partnership with Celltrion Inc. ("Celltrion") (KRX:068270), a leading Korean biopharmaceutical company headquartered in Incheon, South Korea, under a Collaboration Agreement entered into in September 2022 and amended in October 2024. We received an initial milestone payment of $2.0 million from Celltrion in connection with this agreement. In addition, we are eligible for net sales milestone payments of up to $1.75 billion and development milestone payments of up to $4.0 million under that agreement. In 2022, we also received an equity investment in our Series F preferred stock of $2.0 million from Celltrion.

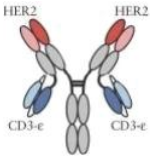
ABP-201 is being developed and commercialized through a territorial partnership with Abpro Bio International, Inc. ("Abpro Bio"), a subsidiary of Abpro Bio Co. Ltd (KOSDAQ:195990), a company formerly named Ugint Co Ltd with diversified holdings in precision machine tools, equipment and biotechnology headquartered in Daegu, South Korea, under a collaboration and license agreement entered into in January 2020 that granted Abpro Bio exclusive development and commercialization rights in the People's Republic of China, Japan, South Korea, Southeast Asia (which for the purposes hereof means Philippines, Indonesia, Taiwan, Pakistan, India, Vietnam, Laos, Cambodia, Thailand, Myanmar and West Malaysia), the Middle East (which for the purposes hereof means Bahrain, Cyprus, Egypt, Iraq, Israel, Jordan, Kuwait, Lebanon, Northern Cyprus, Oman, Palestine, Qatar, Saudi Arabia, Syria, Turkey, United Arab Emirates and Yemen), and the Commonwealth of Independent States (CIS) (which for the purposes hereof means Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan). We received a $30 million equity investment from Abpro Bio in connection with that agreement, and we are potentially eligible for net sales milestones of up to $485 million and development milestones of up to $56.5 million.

DiversImmune® is our antibody discovery platform that rapidly generates a diverse collection of proprietary antibodies against both clinically validated and novel targets that have been traditionally difficult to access. This provides us with high affinity and high specificity antibody building blocks with drug-like properties that we then use to engineer novel therapeutics.

MultiMab™ is our engineering platform that provides us with the flexibility to combine these antibody building blocks in different combinations and orientations to rapidly create "fit for purpose" novel full-length multi-specific antibody constructs. Our antibody constructs, including our TetraBi antibody format, can potentially benefit patients with the goal of improved efficacy, better safety profiles, and more convenient dosing regimens relative to current standard-of-care therapies. Furthermore, in contrast to single-format bispecific antibody platforms that are only able to provide a single solution to different biological problems, our platform enables us to design a diverse suite of full-length multi-specific antibody formats to address new problems in medicine. Our approach is designed to result in therapeutic candidates with differentiated characteristics, including potentially stronger binding affinity, improved safety, more convenient dosing regimens and streamlined manufacturing processes.

ABP-102: Next generation T-cell engager targeting HER2 and CD3 for HER2+ solid tumors

ABP-102



Key Characteristics of ABP-102

- Dual-arm affinity-tuned construct for selective killing and cytokine release on HER2-high target cells, with reduced killing and cytokine release on HER2-low target cells to reduce "on-target, off-tumor" toxicity
- Bivalent HER2 binding to promote more selective HER2-high target cell engagement
- TetraBiTM IgG-[L]-scFv format with functionally monovalent CD3 binding at the hinge region to prevent T cell activation in the absence of tumor cells
- Cross-reactivity to human and cynomolgus CD3 for toxicity assessment
- Engineered for reduced Fc receptor engagement
- Symmetrical structure with natural antibody features for efficient manufacturing and a potentially improved dosing profile

Our lead product candidate, ABP-102, is a next generation immuno-oncology TetraBi antibody targeting HER2 and CD3 being developed for the treatment of HER2+ solid tumors, including breast and gastric cancers. ABP-102 features bivalent HER2 binding sites and is engineered through affinity tuning to selectively target tumor cells expressing high and intermediate levels of HER2, with reduced activity on cells expressing low-to-negative levels of HER2. ABP-102 also features an affinity-tuned CD3 binding domain to provide enhanced potential for safety. ABP-102 harnesses the power of the immune system by redirecting and activating cytotoxic T cells to attack tumor tissue. ABP-102 may provide an improved therapeutic window to attack tumor cells while reducing systemic toxicity by promoting "on-target, on-tumor" effects, with reduced potential for "on-target, off-tumor" toxicity toward endogenous tissues.

In preclinical in vitro studies, ABP-102 has demonstrated selectivity in both cytokine secretion and cytotoxicity with HER2-high and intermediate breast, ovarian, and gastric cancer cell lines, including those that are resistant to Herceptin (trastuzumab), with reduced activity on HER2-low and negligible activity on HER2-negative cell lines. We plan to initiate a Phase 1/2 clinical trial of ABP-102 with our partner Celltrion in the first half of 2026, focusing on HER2+ breast and gastric cancers.

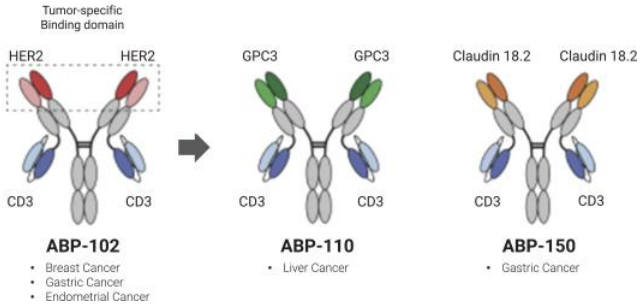
We believe ABP-102 is an improvement over currently approved HER2-targeting agents such as Herceptin, Perjeta (pertuzumab), and Kadcyla (T-DM1), as well as other HER2-targeting agents currently in development, because it relies on the redirection of cytotoxic T cells to selectively target and eliminate tumor cells, while sparing endogenous HER2-expressing cells. Current HER2-directed therapies, which are designed either to block HER2 function or deliver toxic payloads to the tumor, are only effective in a subset of HER2+ patients, cause undesirable side effects, and are limited by the onset of drug resistance.

It is management's belief that ABP-102 has the potential to provide longer lasting or even curative results in a broader set of patients than are currently addressed by HER2-directed therapies. The Global HER2+ market is forecast to grow to $12.1 billion by 2030, at a CAGR of 1.5%, according to Research and Markets.

We believe the TetraBi antibody format of ABP-102 provides a potentially transformative approach to immuno-oncology. The TetraBi antibody format features two affinity-tuned binding sites, and thus bivalent binding for the tumor antigen, creating a stronger connection to the tumor cell compared to monovalent binding. In addition, the placement of the CD3 binding domain in the middle, or hinge region, of the TetraBi antibody format results in a therapeutic candidate that, in preclinical studies, selectively activates T cells only in the presence of tumor cells. We have designed ABP-102 with the goal of a favorable safety profile and potential for an enhanced therapeutic window.

We are leveraging the TetraBi antibody format of ABP-102 to pursue a broad pipeline of immuno-oncology agents that target highly expressed antigens on a diverse range of tumor types, as depicted in the following chart. Our platform of T cell engagers has the potential to translate into an industry-leading pipeline of therapeutic agents with the goal of improving the treatment of patients.

TetraBi series of CD3-targeting T-cell engagers



ABP-201: Ligand trap targeting VEGF and ANG-2 for vascular diseases of the eye

ABP-201

Key characteristics of ABP-201

- Dual inhibition of VEGF and ANG-2 to block angiogenesis
- Four high-affinity binding sites for increased potential potency
- Dual targeting in single molecule
- Natural antibody structure for potentially improved dosing
- Symmetrical structure for efficient manufacturing

ABP-201 is a different TetraBi antibody format, designed to simultaneously inhibit VEGF and ANG-2 for the potential treatment of vascular diseases of the eye, including diabetic macular edema, or DME, and wet age-related macular degeneration, or Wet AMD. In both DME and Wet AMD, blood vessels form abnormally and leak fluid, resulting in vision loss. Whereas VEGF drives new blood vessel formation, ANG-2 acts to destabilize blood vessels and contributes to vessel leakage. The current standard of care for DME and Wet AMD includes intravitreal injections of VEGF-targeted agents, including Eylea (aflibercept), Lucentis (ranibizumab), and Avastin (bevacizumab, used off-label). However, these drugs require eye injections every one to two months and are only effective in a subset of patients, many of whom eventually develop resistance. Because ABP-201 has a high binding capacity, with a total of four binding sites per molecule, we believe ABP-201 could be administered less frequently than current agents. Recently, the VEGF and ANG-2 co-targeting agent Vabysmo (faricimab), was approved by the FDA, and clinical trial results showed a dose-dependent improvement in best-corrected visual acuity relative to Lucentis, providing strong support for this approach. In 2022, the combined worldwide sales of Eylea and Lucentis exceeded $10.5 billion according to company filings. Through our AbMed subsidiary, we have in-licensed certain intellectual property rights relating to ABP-201 from MedImmune (now AstraZeneca), and are in breach of the terms of our license agreement with MedImmune/AstraZeneca.

Clinical Development Plan

We plan to conduct a Phase 1, multiple-ascending dose evaluation of the safety and initial efficacy of ABP-201 in patients with wet age-related macular degeneration (Wet AMD). Following the identification of the maximum tolerated dose (MTD) or the safety and tolerability of the maximum administered dose (MAD), a larger randomized phase 2 study is planned.

We have an experienced leadership team with significant industry know-how and deep experience in antibody discovery and development, biomarker discovery and validation, clinical development and regulatory approval, partnerships, operations, and corporate finance. Our leadership team has broad industry experience from working at pharmaceutical and Biotech companies, including Celgene, NantWorks, Frequency Therapeutics and Moderna. We also have a group of scientific advisors comprised of leaders in our industry across various disciplines, including Robert Langer, PhD, David H. Koch, Professor at MIT and a co-founder of Moderna; Laurie Glimcher, MD, President and CEO of the Dana-Farber Cancer Institute; Ron Levy, MD, Professor and Chief, Division of Oncology, Stanford School of Medicine; George Tsokos, MD, Professor of Medicine, Beth Israel Deaconess Medical Center; Dr. Shiv Pillai, PhD, Professor of Medicine, Harvard Medical School and Massachusetts General Hospital and Steven Schnittman, MD, PhD, who previously served as Medical Branch Chief of the AIDS division at the National Institutes of Health and Vice President, Global Clinical Research at Bristol Myers Squibb. Dr. Langer is a member of our board of directors, and the other advisors serve on our Scientific Advisory Board.

Our Pipeline

Our *DiversImmune*® and *MultiMab*™ platforms and licensing strategy have generated a pipeline of next-generation antibody product candidates, as reflected in the following table:

ABP-201 is held through our majority-owned subsidiary AbMed Corporation, or AbMed. AstraZeneca (formerly MedImmune) owns a minority stake in AbMed and, with respect to Asia, the Middle East and certain other countries, ABP-201 is being developed and commercialized through a territorial partnership with Abpro Bio, with our company retaining rights in the rest of the world. ABP-102 is being developed and commercialized through our world-wide strategic partnership with Celltrion. We hold world-wide exclusive rights to ABP-110 under a patent license granted by the National Cancer Institute, or NCI, a division of the NIH. ABP-150 is being developed under a collaboration agreement with Nanjing Chia Tai Tianqing Pharmaceutical Co., Ltd ("NJCTTQ"), pursuant to which NJCTTQ has exclusive commercialization rights in China and Thailand and we retain commercialization rights in the rest of the world.

Our Strategy

Our mission is to develop next-generation antibody therapeutics with the goal of improving the lives of patients with severe and life-threatening diseases. Traditionally, creating antibodies against targets and validating them as potential therapies has been time consuming and labor-intensive. We believe that our proprietary antibody platforms and approach overcome these limitations, however, we have yet to (i) produce antibodies on a scale needed for clinical trials or commercialization or (ii) evaluate any of our product candidates in a patient. By leveraging the speed, quality, and target-access of our *DiversImmune*® platform, we have generated a proprietary collection of antibody building blocks that enable us to establish our own pipeline of next-generation antibody product candidates. We believe our ability to leverage our *MultiMab*™ platform to design novel bi-and multi-specific antibody constructs with natural, antibody-like structures presents a significant opportunity to unleash the immune system's natural ability to fight disease and to elicit responses from broader patient populations.

Our key strategies to achieve this mission are:

- **Aggressively advance our lead product candidates, ABP-102 and ABP-201, into the clinic**. We plan to initiate a Phase 1/2 clinical trial of ABP-102 in the first half of 2026, focusing on HER2+ breast and gastric cancers. Additionally, we are planning to advance ABP-201 into Phase 1 clinical trials also in the second half of 2026 for the treatment of Wet AMD. We believe that the development of our lead antibody product candidates, if successful, will generate substantial value and provide us with differentiated products to pursue in large markets with significant unmet medical needs. IND-enabling studies are underway for both lead product candidates in preparation for final GLP toxicity studies and GMP manufacturing for filing the IND and we will request Pre-IND meetings beforehand with the FDA when appropriate.

- **Rapidly follow ABP-102 with a broad pipeline of CD3-targeting T-cell engagers and leverage this approach to other immune cell targets**. We are building on the optimized format of ABP-102 to aggressively develop a suite of immuno-oncology agents that redirect T cells to a diverse range of liquid and solid tumors. ABP-110, targeting GPC3 on hepatocellular carcinoma, and ABP-150, targeting Claudin 18.2 on gastric cancer, are currently in preclinical development. We may also use this "pipeline in a format" strategy with other immune cell targets, including CD137 and CD47.

- **Leverage our *DiversImmune*® and *MultiMab*™ platforms to grow our pipeline of antibody product candidates**. We plan to continue investing in our *DiversImmune*® and *MultiMab*™ platforms to maintain our competitive advantage. We will continue to expand our collection of high affinity and high specificity antibody building blocks against both clinically validated and novel therapeutic targets, and apply our "fit for purpose" antibody engineering approach to construct novel multi-valent, multi-specific therapeutic product candidates. We will continue to build on the success of existing immuno-oncology or cell therapies that use the power of T cells to fight cancer, such as chimeric antigen receptor T-cell, or CAR T, therapy, but will focus on simpler, more accessible, and less expensive approaches that provide a universal solution for large populations of cancer patients.

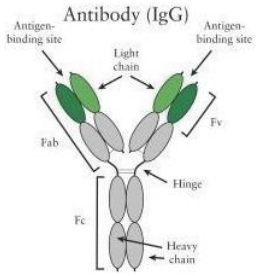
- **Continue to explore and execute strategic collaborations**. In addition to the development and commercialization collaborations we have entered into with Celltrion and Abpro Bio, we entered into a collaboration agreement in January 2019 with NJCTTQ, a pharmaceutical company specializing in research and development, production and commercialization of drugs for cardiovascular diseases, tumors, perioperative care, gastrointestinal disorders and urologic diseases headquartered in Nanjing, China, for the development of novel bispecific antibody therapies for immuno-oncology, including potentially best in class T-cell engagers. Under that agreement, we are jointly developing ABP-150, a T-cell engager designed to fight cancer through co-targeting CD3 and Claudin 18.2. NJCTTQ has exclusive commercialization rights in China and Thailand and we retain commercialization rights in the rest of the world. We will continue to explore strategic and geographic-oriented partnerships that provide us with near-term economic benefits where we retain product rights to key strategic markets.

- **Build a leading fully integrated discovery-to-commercial antibody therapeutics company**. We have assembled an experienced scientific and business team, and have built robust discovery and antibody engineering platforms that allow us to create a broad pipeline of novel product candidates. As we advance our product candidates into clinical development, we intend to complement our discovery and development strengths with clinical expertise and commercial capabilities to build a fully integrated company.

Introduction to Monoclonal and Dual-Targeting Antibodies

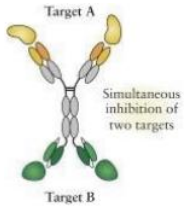
Antibodies are large and diversified proteins produced by B cell immune responses to counter threats including infectious entities such as viruses, bacteria, and fungi. Antibodies can be raised against antigens seen by the immune system as "non-self," and therefore antibodies against human proteins are often raised using a variety of immunization strategies in mice or other animals. The resulting antibodies can then be used as building blocks to develop therapeutics for molecular targets, including proteins overexpressed on the surface of cancer cells. Because they recognize their target antigens with high affinity and high specificity, and because they are natural elements of the immune system, antibodies have been used effectively as drugs for over 30 years. Monoclonal antibodies are the largest and most rapidly growing class of therapeutic proteins and have become a mainstay of therapeutic options for patients with cancer, autoimmune disorders, and other diseases. As of June 30, 2022, 162 antibody therapies have been approved by at least one regulatory agency in the world, including 122 approvals in the United States.

An immunoglobulin G, or IgG, is the most common type of antibody and comprises two identical heavy chains and two identical light chains, which assemble to form a Y-shaped molecule, as depicted in the following graphic. The bottom tail of the "Y" is called the fragment crystallizable, or Fc, region, and is structurally constant across entire classes of antibodies. The Fc region of an antibody interacts with a variety of receptors on immune cells and is also responsible for the long circulating half-life of an antibody. The tips of the "Y" are called the fragment variable, or Fv, regions, and contain the antigen-binding sites. A natural antibody recognizes a single target antigen and is therefore "monospecific." Because it features two identical binding sites, however, it is "bivalent" for that target. Bivalency is a critical feature of natural antibodies. Just as it is much easier to hang from a bar with two arms rather than one, bivalent binding has been shown in preclinical studies to provide a much stronger connection to the target antigen than would be possible with monovalent binding.



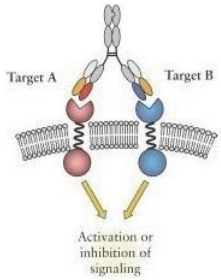
Although natural antibodies recognize a single target, they can be engineered in different ways to bind two or more targets, resulting in a bispecific or multispecific antibody. While there are many different types of dual-targeting antibodies, several mechanisms of action can be implemented for a bispecific construct, including dual binding, cross-linking, and cell-cell bridging, as depicted in the following graphics.

Two antibodies in one



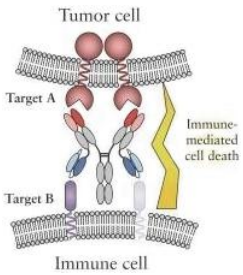
- Replaces a combination of two monospecific antibodies
- Simplifies the regulatory process, decreases manufacturing costs, and provides more favorable reimbursement conditions
- Ensures both targets are engaged in the same place at the same time

Cross-linking



- Cross-links two targets on the same cell
- Physically connects two proteins and can be used to activate pathways that are otherwise inactive or more potently inhibit pathways that are already active
- Can produce a synergistic effect, where the dual-targeting antibody out-performs the corresponding combination of two single-targeting antibodies

Cell-bridging



- Bridges two cells, physically bringing them into close proximity
- Promote immune cell activation to kill the tumor cells to which they are attached

Our Platforms

Our approach consists of two technology platforms: our *DiversImmune*® platform, which we use to generate therapeutic "building blocks," which are high affinity and high specificity antibodies with functional activity against therapeutic targets; and our *MultiMab*™ platform, which we use to construct therapeutic product candidates by assembling the building blocks into different combinations of bi- and multi-specific antibodies. Together, these platforms support our strategy of building a broad pipeline of next generation antibody therapeutics that are designed to address a wide range of human diseases.

***DiversImmune*®: Our antibody discovery platform**

Our *DiversImmune*® platform was built to address a key bottleneck in the antibody therapeutics industry: the ability to rapidly generate high affinity and high specificity antibodies against virtually any target of interest. Although *in vitro* methods, such as phage and yeast display, have been developed to mimic the immune system, these methods typically rely on collections of antibodies from unimmunized donors and as a result generally yield relatively low affinity antibodies. Improving these antibodies through affinity maturation (*i.e.*, mutation and selection) is often a lengthy process and is not always successful. In contrast, the adaptive immune system of a mouse has a built-in mechanism called somatic hypermutation that improves the affinity of antibodies up to one thousand times, yielding high affinity and high specificity antibodies suitable for therapeutic development.

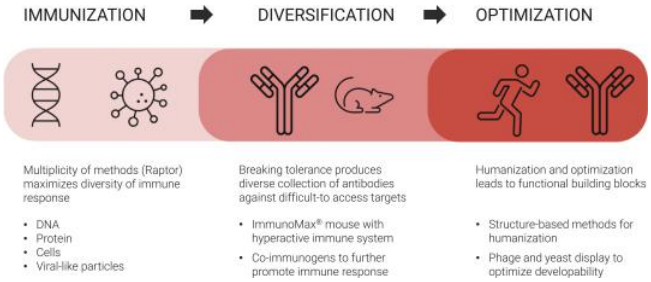
The greatest challenge with mouse-based methods, however, lies in generating a strong and diverse immune response to the target of interest. The mammalian immune system has a mechanism called tolerance that prevents it from making antibodies against proteins that are perceived as "self." Thus, to generate a strong immune response against a target that is difficult to access, either because the target is not particularly immunogenic, or capable of producing an immune response, or because the target, a human protein, is very similar to the corresponding mouse protein, it is necessary to "break tolerance." A key component of our *DiversImmune*® platform is our genetically engineered hyperimmune mouse which seeks to solve this problem in two ways. First, the mouse has been genetically engineered so that more of its antibody-generating B cells survive and proliferate than in a non-engineered mouse. This results in a larger and more diverse collection of high affinity antibodies. Second, the mouse has a hyperactive immune system in which its tolerance to self-antigens has been "broken." This enables us to generate a diverse array of antibodies against a wide range of targets, including targets that are very similar between mouse and human.

The *DiversImmune*® platform comprises three key steps, all focused on generating a diverse collection of high quality antibodies:

1. *Immunization*. We have developed an integrated collection of immunization methods, termed Raptor, which includes purified proteins, engineered cells, viral-like particles, and DNA. These methods all work in concert with the goal to elicit a strong and diverse immune response.

2. *Diversification*. We have developed hyperimmune mouse, along with a variety of co-stimulation methods, to optimize the immune response to each target and yield a diverse collection of antibodies that recognize different epitopes, or binding regions, on the same target protein. This is a critical component of our discovery process as we believe it greatly increases the probability of identifying antibodies with the desired functional properties necessary for therapeutic development.

3. *Optimization*. We have streamlined the processes of humanization and optimization so that we can rapidly advance antibodies with the desired functional properties to fully developed building blocks. These building blocks can then be assembled into novel therapeutic product candidates using our *MultiMab*™ platform.



To date, our *DiversImmune*® platform has been used to generate antibodies for pharmaceutical and biotechnology companies. We are now using this platform internally to create what management believe to be an industry-leading collection of building blocks to support a growing pipeline of therapeutic product candidates.

***MultiMab*^{TM}: Our antibody engineering platform**

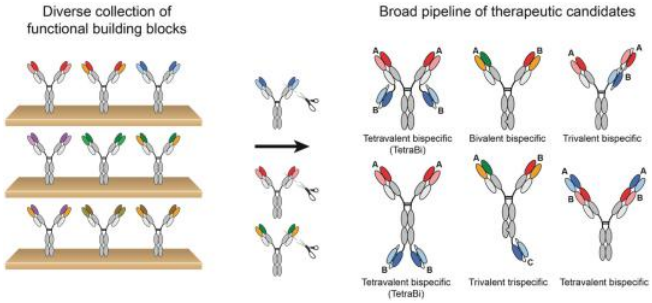
Our *MultiMab*^{TM} platform enables us to build a diverse array of bi-and multi-specific antibody formats, allowing us to optimize the format of our product candidates. Because biology is diverse and complex, there is no "one size fits all" solution to engineering multi-specific antibodies. Instead, different problems call for different solutions. We draw from a suite of different antibody formats to choose the one that we believe best suits the disease and mechanism we are targeting. Despite having multiple formats from which to choose, our formats typically contain two key features:

1. *Bivalent binding*. Bivalent binding, or binding with two points of contact, takes advantage of the concept of avidity, specifically that multipoint connections are much stronger than single point connections. In order to maximize efficacy, we build bivalent binding into our therapeutic product candidates where increased strength of binding is desirable. For example, ABP-102 features two identical binding sites for HER2, rather than one. This enables the molecule to bind tightly to HER2+ tumor cells, forming a strong immunological synapse, or cell-to-cell interaction, between the tumor cell and the cytotoxic T cell. We believe this is critical to generating a strong and sustained immune response and differentiates ABP-102 from other T-cell engaging bispecific antibodies that only feature a single binding site for the tumor-specific antigen.

2. *Fc region*. The Fc region of an antibody interacts with various receptors on immune cells to control both the immune response to antibody binding and the circulating half-life of an antibody. To take advantage of these natural functions, we build Fc regions into all our therapeutic product candidates. For example, ABP-102 features a human IgG1 Fc region that promotes a long circulating half-life, and has been further engineered to reduce or eliminate antibody-dependent cell-mediated cytotoxicity (ADCC) and complement-dependent cytotoxicity (CDC) to reduce potentially harmful side-effects associated with inflammation and cytokine release. Similarly, ABP-201 features an Fc region that results in greater stability and, due to its size, a longer ocular half-life, potentially enabling more convenient dosing for patients.

Both of our lead product candidates, ABP-102 and ABP-201, are TetraBi antibodies that feature two high affinity binding sites for each of their targets and Fc regions for longer half-lives. In addition, both product candidates are symmetrical, with two identical heavy chains and two identical light chains. Many bispecific antibody formats are asymmetrical, featuring two different heavy chains. This creates the possibility of chain mispairing, which complicates the manufacturing process as it is necessary to rigorously characterize each batch and minimize the presence of mispaired species. With our TetraBi antibody format, this allows for straightforward manufacturing, as there is no possibility of chain mispairing.

***MultiMab*^{TM} antibody engineering platform**



Key advantages of our antibody technology platforms

We believe our *DiversImmune*® and *MultiMab*™ platforms overcome several significant limitations associated with competing antibody technologies and have the following key competitive advantages:

- *Superior target access*. By breaking immune tolerance, our *DiversImmune*® platform enables us to generate high quality antibodies against traditionally difficult-to-target proteins, providing access to new therapeutic targets.

- *Superior speed of antibody discovery*. By generating a wide diversity of high quality antibodies against a single target, our *DiversImmune*® platform accelerates the discovery phase by increasing the probability of identifying high quality antibodies with the appropriate function. This speed allows us to rapidly scale and build a broad portfolio of functional building blocks to address disease-specific challenges that are not currently met by existing therapeutics or products. However, any product candidate developed with our platforms will still be subject to clinical trial requirements prior to approval, and we cannot accelerate clinical trials.

- *Superior flexibility in engineering novel therapeutics*. By providing access to a diverse array of bi- and multi-specific antibody formats, our *MultiMab*™ platform enables us to rapidly test a broad range of solutions, shortening the timeline for lead selection and increasing the chance of finding an optimal format that meets key performance specifications.

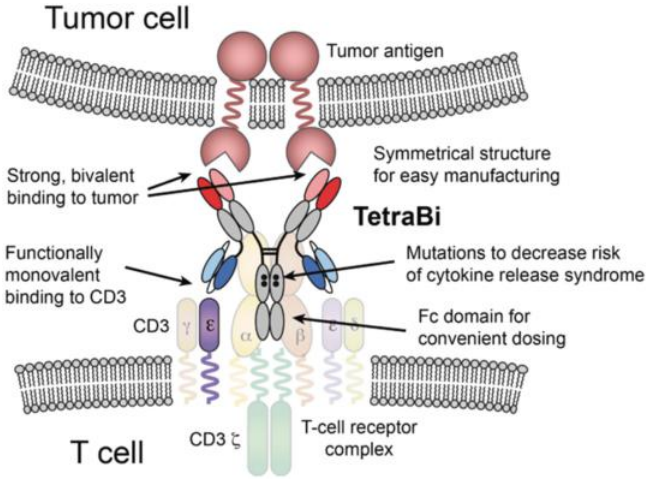
B cell cloning platform

In addition to our *MultiMab*™ platform we have developed a B cell cloning platform that enables us to isolate potently neutralizing antibodies to SARS-CoV-2, RSV, and other viruses recognizing conserved viral epitopes resistant to mutational escape.

Our Immuno-Oncology Strategy For T Cell Engagement

One of the most promising strategies in cancer therapy is to direct cytotoxic T cells to kill tumor cells. This can be achieved using dual-targeting antibodies, which bind simultaneously to a tumor-specific antigen on a tumor cell and to CD3 on a T cell, bringing these cells into close proximity and causing the T cell to kill the tumor cell. First-generation bispecific antibodies were called Bispecific T-cell Engagers, or BiTEs, and contained two Fv regions, one for the tumor antigen and one for CD3. Because they do not contain an Fc region, BiTEs have very short circulating half-lives, requiring patients to wear an infusion pump for continuous intravenous administration. Second-generation bispecific antibodies contain an Fc region, but typically have only one binding site for the tumor antigen. This results in weaker binding to the tumor cell than could be achieved with the corresponding bivalent antibody.

Key features of the TetraBi antibody format for T-cell engagement



Abpro's TetraBi antibody format improves upon both first-and second-generation bispecific T-cell engaging antibodies, as summarized in the following table. First, unlike first-generation bispecific antibodies, our TetraBi antibodies contain an Fc region, which provides enhanced stability and a longer circulating half-life for potentially more convenient dosing. Second, unlike second-generation antibodies, our TetraBi antibodies have two binding sites for the tumor antigen, rather than one. Bivalent binding promotes maximal efficacy via an avidity-based binding effect for the tumor associated antigen, allowing for the establishment of strong connections between the T cell and the tumor cell, leading to sustained activation through clustering of the T cell receptor complex in the presence of high antigen densities. By placing the CD3-binding domain in the hinge region of the molecule, the TetraBi antibody format has been shown in preclinical studies to exhibit monovalent-like interaction with CD3. This is important in preventing TetraBi antibodies from activating T cells in the absence of tumor cells, which could lead to undesirable toxicities such as cytokine release syndrome, or CRS, a potentially life-threatening toxicity associated with T cell targeted therapies. Finally, unlike second-generation antibodies, our TetraBi antibodies contain two identical heavy chains and two identical light chains. This allows for easy manufacturing, as there is no possibility of mispairing between two different heavy chains.

Key advantages of our TetraBi antibody format

Antibody Characteristics	1st Generation Bispecific	2nd Generation Bispecific	Abpro TetraBi	abpro Benefit
Bivalent Binding to Tumor Antigen	✗	✗	✓	Stronger binding to the tumor cell, leading to potentially increased efficacy and an expanded patient population
Long Circulating Half-life	✗	✓	✓	Extends duration of therapeutic effect and reduces frequency of dosing
Fc engineered to reduce CRS	✗	✓ ✗	✓	Decreases interaction with other immune cells, lowering risk of unwanted side effects
Low Risk of Immunogenicity	✓	✓	✓	Natural antibody sequences decrease risk of immune response, which can lead to decreased efficacy
Straightforward Manufacturing	✓	✗	✓	Symmetrical structure streamlines manufacturing by reducing risk of chain mispairing

Our lead product candidate, ABP-102, illustrates the key advantages of this format. ABP-102 is bivalent for HER2, providing stronger binding to tumor cells than could be achieved with first- and second-generation formats that are monovalent for HER2. ABP-102 has been shown in preclinical mouse studies not to activate T cells in the absence of tumor cells, but induce T cells to kill tumor cells in a HER2-dependent manner.

We believe the TetraBi antibody format of our ABP-102 product candidate offers several significant competitive advantages over other bispecific antibody formats and other approaches to T-cell-based therapy:

- *Bivalent binding*. By including two binding sites for the tumor antigen, our antibodies are designed to form a much stronger connection to tumor cells than competitor molecules that feature only a single binding site.
- *Potentially better dosing through inclusion of an Fc region*. By including an Fc region, our TetraBi antibodies are designed to have long circulating half-lives, enabling potentially more convenient dosing for patients.
- *Controlled immune effector function through Fc engineering*. By introducing defined mutations into the Fc region, we are potentially able to diminish or eliminate Fc-mediated interactions that can contribute to unwanted side effects such as CRS.
- *Lower immunogenicity*. By closely resembling human antibodies with natural amino acid sequences, our TetraBi antibodies may have a reduced risk of being immunogenic, or capable of producing an undesirable immune response, which could otherwise lead to decreased efficacy.
- *Streamlined manufacturing*. By building symmetrical molecules with two identical heavy chains and two identical light chains, our molecules are designed to eliminate complications arising from potential chain mispairing.

Advantages of TetraBi antibodies over CAR T therapy

T cells can also be directed to kill tumor cells by genetically modifying them to express a chimeric antigen receptor, or CAR. A CAR is a synthetic receptor in which an Fv domain of an antibody that recognizes a tumor-specific antigen is linked to a portion of the T-cell receptor, typically CD3-zeta, as well as one or more costimulatory domains. T cells expressing a CAR, or CAR T cells, bind to and subsequently kill tumor cells expressing the appropriate antigen. CAR T therapy has demonstrated efficacy in liquid tumors and as of 2023, six CAR T therapeutics have garnered FDA approval, including agents targeting hematological malignancies such as lymphomas, leukemias, and multiple myeloma. However, there are currently no approvals in solid tumor indications. Unlike antibody therapy, CAR T therapy is a complex, multi-step process. After a patient's white blood cells are collected, T cells are isolated and activated. They are then genetically engineered to express the CAR. The CAR T cells then need to be grown for several weeks before being infused back into the patient. Prior to infusion, however, patients have to undergo chemotherapy to deplete immune cells, providing an opportunity for the CAR T cells to engraft in the patient. Despite the effectiveness of this approach, there are several challenges to the widespread adoption of CAR T therapy. The process of engineering CAR T cells is technically challenging, time-consuming, and expensive. In addition, there are significant toxicities associated with CAR T therapy, including CRS. Although patients receiving CAR T therapy are often treated for CRS while undergoing therapy, treatments for CRS, namely administration of immuno-suppressive agents, can also reduce the efficacy of the therapy.

While we have yet to observe any advantages of TetraBi antibodies in a clinical trial, and TetraBi antibodies have not yest received marketing approval, we believe our next-generation CD3-targeted T-cell engagers have several advantages over CAR T therapies. Like CAR T therapy, we are redirecting cytotoxic T cells to fight cancer. Unlike CAR T therapy, however, potential treatment with our TetraBi antibodies should be straightforward and convenient for patients. They will not be required to travel large distances to state-of-the-art cancer centers, but may instead be treated by simple intravenous infusion in local clinics. They will not be required to wait weeks for their T cells to undergo a lengthy and complex modification process, and they will not need to undergo chemotherapy to deplete their immune cells. It will also be potentially much easier to manage toxicities by altering the dose of the antibody. Finally, our TetraBi antibody therapy is expected to be less expensive, reducing obstacles associated with payment and reimbursement.

Our Target Markets

Our lead product candidates are currently targeting the therapeutic areas of cancer and ophthalmology. The global breast cancer monoclonal antibodies market size is estimated to grow by USD 15 billion at a CAGR of 12.5% between 2022 and 2027, according to Technavio. North America is estimated to contribute 42% to the growth of the global market during the forecast period, according to the same source.

Immuno-oncology / oncology

Oncology therapeutics accounted for $143 billion in branded pharmaceutical sales in 2019—approximately 20% of global pharmaceutical sales. Analyst consensus figures indicate a 12% CAGR, and global oncology therapeutics sales are forecasted to hit $250 billion by 2024, according to McKinsey & Co. In 2022, global sales of Rituxan/MabThera (rituximab), Avastin, and Herceptin combined for $11.55 billion.

Ophthalmology

The global ophthalmology market is expected to experience growth in the forecast period of 2023 to 2030. Data from Bridge Market Research analyzes that the market is growing with a CAGR of 6.4% in the forecast period of 2023 to 2030 and is expected to reach $84 billion by 2030, from $51 billion in 2022. The global wet age-related macular degeneration (AMD) market, estimated at $6.9 billion in 2018, is projected to reach $10.4 billion by 2024, registering a CAGR of 7.1% during the forecast period. The market is predominantly driven by the increase in prevalence of AMD, lack of availability of specific treatment, and surge in geriatric population, according to P&S intelligence (Prescient & Strategic Intelligence).

Our Product Candidates

ABP-102 for HER2+ breast and gastric cancers

Our lead product candidate, ABP-102, is a TetraBi antibody targeting HER2 and CD3. It is an affinity-tuned, Fc engineered dual-targeting antibody with a human IgG1-like structure. ABP-102 features two binding sites for bivalent binding to cells expressing HER2, and two binding sites for CD3 in a format that promotes functional monovalency during cell binding. We believe this structure provides greater potential for clinical applications compared with other HER2-directed T-cell-engaging bispecific antibodies that have only one binding site for the tumor-specific antigen (*i.e.*, HER2), allowing for an avidity-enhanced effect. ABP-102 is designed to redirect T cells to tumor cells that are overexpressing HER2 at high or intermediate levels. In preclinical studies, we have shown that ABP-102 selectivity promotes T cell activation, cytokine release and cytotoxicity in the presence of HER2-high and intermediate expressing cells, including HER2+ breast, ovarian, and gastric cancer cell lines. We have also observed reduced or no cytotoxic activity against cell lines expressing low/endogenous levels of HER2. This feature provides the opportunity for an improved therapeutic window to attack tumor cells while reducing systemic toxicity by promoting "on-target, on-tumor" effects, with reduced potential for "on-target, off-tumor" toxicity toward endogenous tissues. We plan to initiate clinical trials of ABP-102 in the first half of 2026 with our partner Celltrion, focusing on HER2+ breast and gastric cancers.

Background and market opportunity for HER2+ breast and gastric cancers

Breast cancer is the most common cancer in women in the United States, except for skin cancers. It is about 30% (or 1 in 3) of all new female cancers each year. The American Cancer Society's estimates for breast cancer in the United States for 2023 are: About 297,790 new cases of invasive breast cancer will be diagnosed in women. About 55,720 new cases of ductal carcinoma in situ (DCIS) will be diagnosed. About 43,700 women will die from breast cancer. Breast cancer is the second leading cause of cancer death in women (only lung cancer kills more women each year). The chance that a woman will die from breast cancer is about 1 in 39 (about 2.5%). The American Cancer Society's estimates for stomach cancer (also known as gastric cancer) in the United States for 2023 are approximately 26,500 new cases (15,930 in men and 10,570 in women) and approximately 11,130 deaths (6,690 men and 4,440 women). Stomach cancer accounts for about 1.5% of all new cancers diagnosed in the United States each year, according to the American Cancer Society.

In 2022, HER2 directed therapies generated approximately $10.3 billion in full year sales. The four drugs that made up this number include PERJETA (approximately $4.6 billion), KADCYLAZ (approximately $2.3 billion), HERCEPTIN (approximately $2.2 billion), and ENHERTU (approximately $1.2 billion), according to public disclosures made by Genentech/Roche and Daiichi Sankyo/AstraZeneca.

Cancer type	Incidence of high HER2 expression
Breast	~20%
Endometrial	8-35%
Gastroesophageal	4-22%
Pancreatic	2-29%
Cervical	1-21%
Bladder	5-15%

Source: Cancer Treatment Reviews

Potential competitive advantages of ABP-102 versus approved anti-HER2 therapies

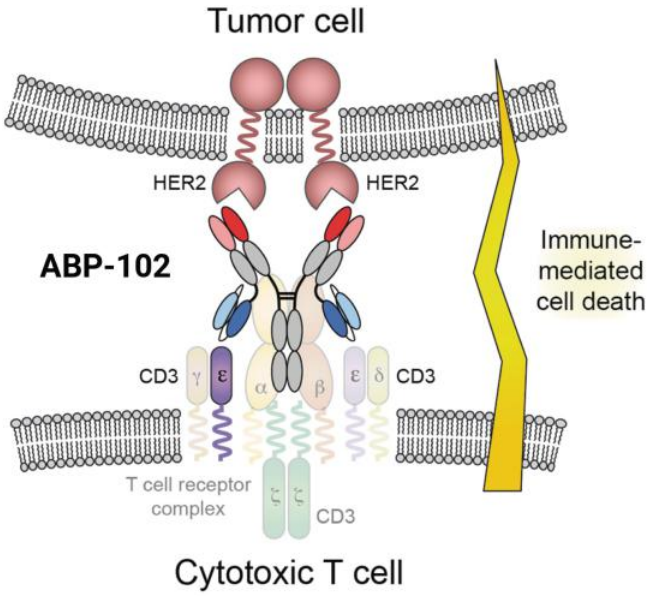
Current HER2-directed therapies have demonstrated increased chemical off target toxicity (e.g., TKIs and ADCs) and/or reduced efficacy from drug resistance or limited potency requiring combination with chemotherapy (i.e., mAbs), especially in the relapsed and refractory disease population. ABP-102 seeks to overcome these challenges as a single-agent therapy that potently engages the patient's natural immune system without toxic chemicals to directly target and destroy the tumor.

Potential benefits of ABP-102 in immuno-oncology

ABP-102 is a TetraBi antibody that is designed to bind simultaneously to HER2 overexpressed on a tumor cell and CD3 on a T cell, thereby bringing the two cells into close proximity and promoting T-cell activation that leads to killing of the tumor cell. ABP-102 is a differentiated therapeutic in that it is able to selectively target HER2-high and intermediate expressing cells, with reduced activity on HER2-low or negative cells, an engineered design feature to promote safety for endogenous HER2-expressing tissues. The TetraBi antibody format of ABP-102 is intended to improve on the clinical efficacy of HER2 targeted therapy by inducing infiltration of T cells into HER2+ tumors. In addition to HER2+ breast cancer, ABP-102 can potentially target any solid tumor in which HER2 is overexpressed, including HER2+ gastric, esophageal, endometrial, ovarian, colorectal, lung, pancreatic, cervical, gallbladder, and bladder cancers, as well as HER2+ pediatric indications including osteosarcoma. By targeting both HER2 and CD3, ABP-102 may overcome many of the limitations of single-targeting agents. For instance, agents targeting HER2 alone, such as Herceptin, face problems with drug resistance, often caused by alterations in the HER2 signaling pathway or other related pro-proliferative pathways.

ABP-102 works by a different mechanism, engaging cytotoxic T cells to kill the tumor cells rather than blocking the function of HER2. As such, we believe that ABP-102 could lead to more durable responses in patients, with reduced risk of drug resistance. Furthermore, ABP-102 possesses an advanced TetraBi antibody format, unlike that of competing agents that only feature a single binding site for HER2. Having two binding sites for HER2 enables higher binding potential and selectivity for tumor cells, which may result in greater potency and an improved therapeutic index. In addition, this dual binding may provide access to a broader patient population, including patients that express intermediate levels of HER2.

ABP-102
immune-mediated
HER2+ tumor cell death



Preclinical data

For ABP-102 to be both safe and effective, it must only activate T cells when HER2+ tumor cells are present. The key safety risk for T-cell engaging therapies is CRS, in which T cells and other white blood cells become activated, leading to the over-production of pro-inflammatory cytokines. This can cause high fever, swelling, redness, extreme fatigue, nausea, and, in rare cases, death. The ABP-102 Fc region is engineered to have reduced binding to Fc receptors and C1q, thereby making T cell engagement the definitive mechanism of action. By positioning the CD3-binding domain near the hinge region of the molecule, it selectively activates T cells only in the presence of HER2+ tumor cells. Thus, when ABP-102 is added to T cells or PBMCs alone, the T cells do not release pro-inflammatory cytokines like TNFa, IL-6, IL-2and IFNg. When HER2+ tumor cells are introduced, however, ABP-102 causes potent activation of the T cells, along with cytokine release reflecting T cell activation. This strong dependency on HER2 for T cell engagement may result in a beneficial therapeutic index for ABP-102, enabling a dose to be found that is both safe and effective. In addition, HER2 is expressed at lower levels in some tissues of the human body, including heart and lung tissues. Therefore, we have engineered ABP-102 to promote selectivity for T cell activation and killing of HER2-high and intermediate target cells, which is a key differentiating feature.

In preclinical in vitro studies, ABP-102 has shown strong antitumor activity that is dependent on the presence of CD3-positive T cells, a key component of cellular immunity within human peripheral blood mononuclear cells, or PBMCs. PBMCs consist of monocytes and lymphocytes, which are white blood cells made up of T cells, B cells, and natural killer, or NK cells.

We have tested ABP-102 for cytotoxicity on a wide variety of cell lines with a broad range of HER2 surface expression levels, from high to intermediate to low, as determined by flow cytometry with trastuzumab biosimilar antibody (Figure 1). These cell lines include HER2-high expressing cell lines such as SKBR-3, BT-474, and NCI-N87, and also HCC1954 breast cancer cells, which are HER2+, but resistant to Herceptin. ABP-102a, b, and c lead candidate affinity-tuned constructs were all able to kill all cell lines expressing high-to-intermediate HER2 levels at a similar dose range for maximum cytotoxicity to the parental HER2 x CD3 TetraBi construct with unmodified HER2 and CD3 affinity. MDA-MB-453 cells are reported to be HER2 intermediate in the literature, and this was similar in our flow cytometry assessment; ABP-102 similarly shows killing of that cell line as well. However, in contrast to the HER2 x CD3 parental TetraBi antibody, ABP-102a, b, and c have reduced activity on HER2 low-to-negative cells, including the ZR-75-1, MCF-7, HT55, JIMT-1 cell lines, in which erbb2/HER2 gene expression is not amplified.

In these studies, ABP-102a, b and c exhibited selective cytotoxicity in the presence of human PBMCs that was dependent on HER2 expression level, with preferential killing of HER2-high expressing cell lines and reduced activity on HER2-low cell lines. This selectivity for targeting of HER2-high expressing cells may help to widen the therapeutic window of a T cell engager with less potential for toxicity toward tissues expressing endogenous levels of HER2.

Figure 1. ABP-102 is effective in vitro against a range of cancer cell lines expressing high and intermediate HER2 levels, but shows reduced activity on HER2 low to negative cell lines.

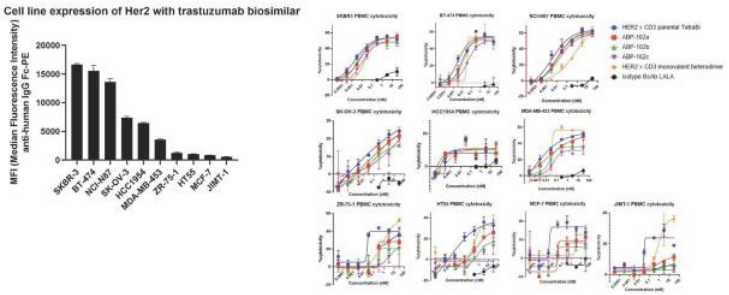


Figure 1 legend:

Cell lines were harvested with Accutase followed by staining with 1 ug/mL trastuzumab biosimilar antibody, followed by staining with anti-human IgG-PE secondary antibody. Flow cytometry data were collected using a BD FACSCelesta and analyzed in FlowJo software as quantified by median fluorescence intensity (MFI). For cytotoxicity analysis, PBMCs were added at a 10:1 E:T ratio (100,000 PBMCs: 10,000 seeded target cells) and incubated with antibodies for 42 hours, at which time cytotoxicity was quantified using the CellTiterGlo2.0 protocol for each cell line. Lead clones ABP-102a, b, and c are shown as compared to a positive control (non-affinity tuned CD3 x HER2 parental TetraBi), as well as a comparator molecule (HER2 x CD3 monovalent heterodimer). An isotype control bispecific antibody with an intact CD3 binding arm was used as a negative control.

To determine whether T cell activation differences account for the observed differential activity on HER2-high and intermediate cells, we assessed culture supernatants for cytokine release (Figure 2). Similar cytotoxicity is observed with ABP-102a, b, and c on the HER2-high (SKBR-3) cell line, with a modest reduction in cytokine release compared to the HER2 x CD3 parental control TetraBi molecule. However, when using cell lines with HER2-low expression (MCF-7) as target cells, we observe less cytotoxicity with ABP-102a, b, and c as compared to the HER2 x CD3 parental control TetraBi molecule. On HER2-low expressing cells, we also observe a markedly reduced cytokine release profile, reflecting reduced activation of T cells as compared to the HER2 x CD3 parental control TetraBi molecule.

This data demonstrates the selectivity of our ABP-102 candidate lead molecules, a feature which should help to promote cytotoxicity for HER2 overexpressing cells while potentiating an environment for durable T cell responses, while also mitigating risks to endogenous HER2-expressing tissues including the heart and lungs.

Figure 2. ABP-102 exhibits selectivity for HER2 overexpressing cells through differential activation of T cell cytotoxicity and cytokine release against HER2-high (SKBR-3) and HER2-low (MCF-7) cell lines.

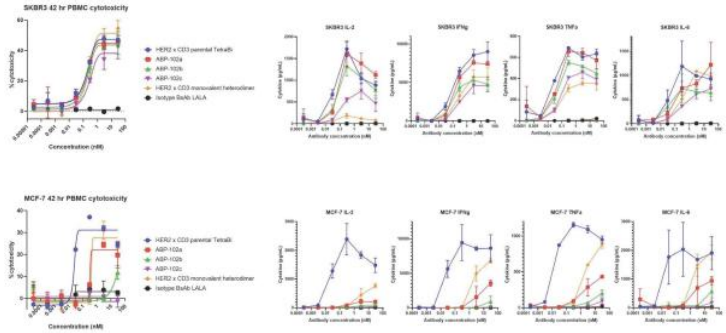


Figure 2 legend:

PBMCs were added at a 10:1 E:T ratio and incubated for 42 hours, at which time cytotoxicity was quantified using the CellTiterGlo2.0 protocol. Cytokine release was detected in supernatants diluted 1:5 in assay buffer before addition to a sensitive multiplexed bead-based assay for quantification of IL-2, IFNg, TNFa, and IL-6 (R&D Systems/Biotechne), with detection and quantification on a MagPix system (Luminex).

ABP-102 lead candidates are currently under evaluation with HER2-high and HER2-low expressing cell line xenograft tumor models in mice, with human PBMCs as effector cells. Final selection of a lead molecule will be based on cumulative in vitro data and anti-tumor efficacy in the HER2 tumor in vivo models. Expression cell lines are currently in development for production of ABP-102a, b, and c, with plans in place for CMC activities ahead of GLP toxicology studies and clinical trials.

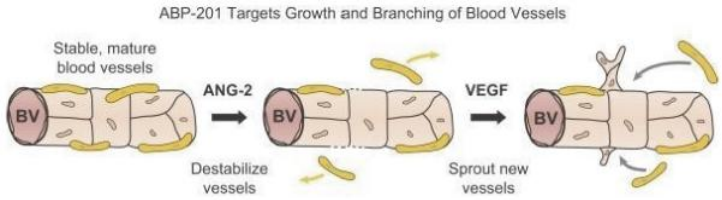
Clinical development of ABP-102

In collaboration with Celltrion, we plan to initiate first-in-human Phase 1/2 clinical trials with ABP-102 in the first half of 2026 in HER2+ solid tumors, including breast and gastric cancer as well as orphan drug indications.

ABP-201 for DME and Wet AMD

Our second lead product candidate, ABP-201, is a different TetraBi antibody that simultaneously targets VEGF and ANG-2. ABP-201 binds with very high, or subnanomolar, affinity to ANG-2 and most of the major isoforms of VEGF, including VEGF165, VEGF189, and VEGF121. Due to its TetraBi antibody format, ABP-201 features two binding sites for each of VEGF and ANG-2, which distinguishes it from bispecific antibodies that feature only a single binding site for each target. ABP-201 is formulated for intravitreal injection and is designed to function as a "ligand trap," removing both VEGF and ANG-2 from the eye.

Through our majority-owned subsidiary, AbMed Corporation, we are developing ABP-201 for potential indications in ophthalmology, including DME and Wet AMD. DME is an eye condition brought on by diabetes in which blood vessels form abnormally and leak fluid into the macula of the eye, resulting in blurred vision and, in extreme cases, blindness. Wet AMD is similarly a severe eye condition caused by the growth and leakage of abnormal blood vessels under the retina and macula of the eye, causing the macula to bulge or lift up from its normally flat position, thus distorting or destroying central vision. VEGF is a clinically validated target in both DME and Wet AMD, where Eylea and Lucentis are approved and in widespread use. As depicted in the following chart, VEGF and ANG-2 act in concert to promote angiogenesis. In normal blood vessel development, ANG-2 plays a role in destabilizing mature blood vessels, creating an environment in which vessel branching can occur. VEGF then promotes the sprouting of new blood vessels. In DME and Wet AMD, however, excessive destabilization of blood vessels by ANG-2 contributes to vessel leakage, or edema. In addition, upregulation of ANG-2 is the primary mechanism of resistance to VEGF inhibition. We believe that effective control of angiogenesis and inhibition of vessel leakage requires simultaneous inhibition of both pathways.



Current treatment options for DME

Although the underlying molecular cause of DME and Wet AMD is not completely understood, both VEGF and ANG-2 play central roles in new blood vessel growth—a hallmark common to both ocular diseases. Several biological therapies have been developed to inhibit VEGF by binding to and sequestering the protein. The current standard-of-care includes Lucentis, a recombinant humanized monoclonal antibody fragment that binds VEGF, and Eylea, a recombinant fusion protein containing portions of the human VEGF receptor. Another VEGF antibody is Avastin, a recombinant human monoclonal antibody which is approved for the treatment of several cancer indications and is used off-label for the treatment of DME and wet AMD.

Before the approval of Lucentis for the treatment of DME in 2012, the use of intravitreal injections was less common in North America and laser photocoagulation, or the use of light to coagulate tissue, was the primary treatment. Prior to the Lucentis DME approval, several treatments including Avastin and Macugen (pegaptanib sodium injection) were used off-label. Macugen received FDA-approval for the treatment of Wet AMD in 2004.

Additional products were approved and launched in 2014, namely Eylea, Ozurdex (dexamethasone intravitreal implant), and Iluvien (fluocinolone acetonide intravitreal implant), as well as the approval in 2022 of Vabysmo. According to estimates by Future Market Insights, intravitreal injections control a large market share of the treatment used in DME patients. In 2021, over 94% of DME patients were utilizing anti-VEGF intravitreal injections and implants, according to the same source.

Current treatment options for Wet AMD

Lucentis, Eylea, and Vabysmo were initially FDA-approved for the treatment of Wet AMD and DME. Avastin is used off-label for the treatment of Wet AMD. Because anti-VEGF treatments do not appear to cause regression of new blood vessels, current therapies require regular intraocular injections, typically as often as seven times per year, and real-world studies indicate that less than 20% of patients treated with anti-VEGF biologics improve their visual acuity by 15 or more letters.

Due to frequent injections, anti-VEGF treatments have been associated with subretinal fibrosis, or the formation of excess connective tissue under the retina, as well as retinal scarring in some patients. We believe a more effective therapy that requires less frequent dosing would address the deficiencies of current therapy and be rapidly adopted as the new standard of care for the treatment of the disease.

Background and market opportunity for DME and Wet AMD

DME is a leading cause of blindness among the working age population in most developed countries. DME is one of the major complications of diabetes and studies show that DME patients utilize significantly higher healthcare resources than non-DME diabetic patients. The growing incidences of diabetes across the globe should further increase the burden of DME. As of 2022, nearly 422 million people worldwide have diabetes, and the number is expected to grow to 592 million within the next 20 years, according to Future Market Insights. North America is projected to be the largest market in terms of value and accounted for over 60% of total market revenue in 2021, according to the same source.

AMD is a progressive disease that results in a gradual loss of vision as people age. Approximately up to 10% of total cases of AMD represent an advanced form of the disease called Wet AMD, which is a severe eye condition that results in blurred vision and can lead to significant vision loss or blindness due to abnormal blood vessel formation in the eye. Although Wet AMD represents only 10% of AMD, it is responsible for 90% of AMD-related severe vision loss. Wet AMD is a leading cause of vision loss, with approximately 200,000 cases of Wet AMD diagnosed per year in North America, according to ResearchAndMarkets.com.

In 2022, Eylea and Lucentis, the leading approved biologics for the treatment of DME and Wet AMD accounted for over $10.4 billion in worldwide sales according to company filings. It is important to note that the first biosimilar for Lucentis was approved in the third quarter of 2022.

Potential ABP-201 Competitive Advantages

Unlike Eylea and Lucentis, ABP-201 seeks to inhibit both VEGF and ANG-2. Unlike Vabysmo, ABP-201 has two binding sites for VEGF and ANG-2, designed to more effectively trap each ligand. ABP-201 also has a longer half-life in the eye than Eylea, which contributes to pharmacological durability.

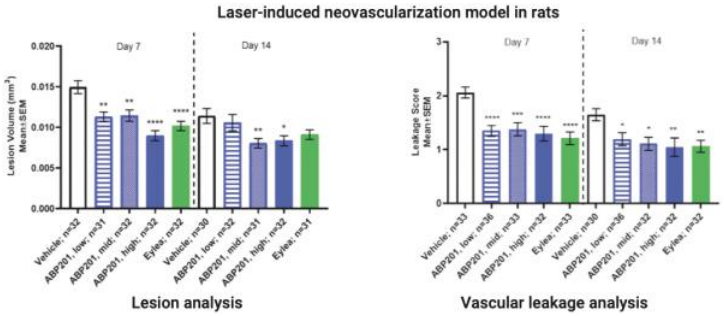
Clinical Development Plan for Wet AMD

We plan to conduct a Phase 1, multiple-ascending dose evaluation of the safety and initial efficacy of ABP-201 in patients with wet age-related macular degeneration (Wet AMD). Following the identification of the maximum tolerated dose (MTD) or the safety and tolerability of the maximum administered dose (MAD), a larger randomized phase 2 study is planned.

Potential benefits of ABP-201 in ophthalmology

One way to co-inhibit VEGF and ANG-2 is to add an ANG-2 inhibitor to an approved VEGF inhibitor. The shortcoming of this approach is that the two agents are not physically linked and as a result will accumulate differently and be cleared from the eye at different rates. It is therefore difficult to ensure that both targets are inhibited in the same place at the same time. In contrast to this dual agent approach, other investigational agents, including ABP-201, use a single-agent dual-targeting antibody to ensure that both targets are engaged at the same time. Clinical trial results with Vabysmo, a bispecific antibody co-targeting VEGF and ANG-2, showed a dose-dependent improvement in best-corrected visual acuity relative to Lucentis, providing strong support for this approach. Importantly, our single agent approach may have regulatory advantages over the dual agent approach given that the necessary efficacy endpoints for approval could include non-inferiority in contrast with superiority to current standard-of-care. The dosing regimens of current DME and AMD drugs, specifically Lucentis and Eylea, are characterized by relatively frequent injections, initially every month followed by every other month. The frequency of injection is determined by a combination of the potency of the drug and its clearance rate from the eye. Large molecules generally clear slower than smaller molecules, and ABP-201 is approximately twice the size of Eylea and approximately four times the size of Lucentis. ABP-201 also has a higher binding capacity than either Eylea or Lucentis, with two binding sites for VEGF and two binding sites for ANG-2. As such, we believe that ABP-201 will require less frequent dosing, providing a significant advantage in the commercial setting. In addition, as increased signaling by ANG-2 in response to anti-VEGF therapy is one of the primary mechanisms of resistance to VEGF inhibitors, we anticipate that ABP-201 will not suffer from drug resistance to the same extent as drugs that target VEGF alone.

In a rat laser-induced choroidal neovascularization model, ABP-201 administered intravitreally resulted in comparable reductions in vascular leakage and vascular lesion volume as Eylea. In this model, a laser is used to ablate blood vessels in the choroid (the vascular layer underlying the retina). The area ablated then heals (becomes revascularized) spontaneously by the formation of neovascular "lesions." Anti-angiogenic agents can then be assessed by how much they can delay this healing, as measured by how well they can reduce vascular leakage and neovascular lesion size.



Source: Ora, Inc., CNV Study with Intravitreally-injected Abpro Test Article ABP201 in Brown Norway Rats, December 20, 2023.

Pharmacological durability is desired in agents administered intravitreally injection given the risk of injection-associated inflammation and the uncomfortable nature of the injection. A major contributing factor to pharmacological durability is half-life.

Administration of ABP-201 resulted in significantly reduced vascular leakage and neovascular lesion volume compared to a vehicle control and comparable to Eylea.

A major concern for all intravitreally-administered agents is the potential for inflammation, either caused by the agent or the injection procedure. Given that intravitreal injection itself is associated with the potential for ocular inflammation among other toxicities, increasing the pharmacological durability of such agents is critical in minimizing the potential for such toxicities. As such, ABP-201 is engineered to both maximize half-life in the eye and to reduce any Fc receptor-mediated inflammatory responses. In preclinical PK models, ABP-201 displays a favorable ocular half-life compared to Faricimab (RG7716/Vabysmo) or Eylea (aflibercept). In addition, ABP-201 is well tolerated in rabbit toxicity studies.

ABP-201 Exhibits Favorable PK Compared with Vabysmo

ABP-201 0.2mg dose in Rabbit					
PK parameter	**Unit**	**Serum**	**Aqueous**	**Vitreous**	**Retina**
C_{max}	µg/ml	0.415	14.374	183.357	8.457
T_{max}	h	48	48	1	24
$t_{1/2}$	h	38	108	82	106
$AUC_{0\text{-last}}$	(ug*h)/ml	52	2529	36922	1777
$AUC_{0\text{-inf}}$	(ug*h)/ml	55	2557	37027	1795
MRT	(h)	89	165	142	158

Study contracted at ContractKinetica, LLC

Faricimab(RG7716) 0.5 mg dose in Cyno			
PK parameter	**Unit**	**Serum**	**Aqueous**
C_{max}	µg/ml	3.8	99
t_{max}	h	24	72
$t_{1/2}$	h	89.3	68
t_{last}	h	672	672
$AUC_{0\text{-last}}$	(ug*h)/ml	295	18100
$AUC_{0\text{-inf}}$	(ug*h)/ml	296	18200
F	%	12.7	N/A

EMBO Mol Med. (2016);8: 1265 - 1288

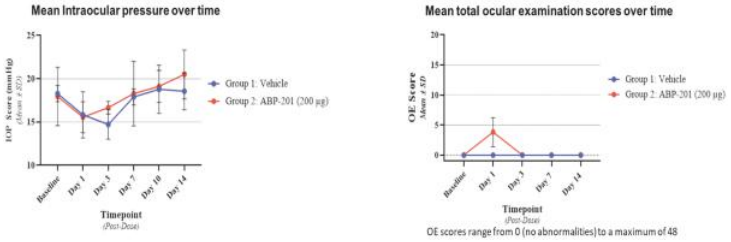
Eylea 1.2 mg dose in Rabbit

Table 2. PK Parameters of Aflibercept (Eylea) in the Vitreous, Aqueous Humor, and Retina-Choroid of Eyes From New Zealand White Rabbits

PK Parameters	Vitreous	Aqueous Humor	Retina-Choroid
$T_{1/2}$, h[a]	94.1 ± 21.4	47.9 ± 7.1	98.2 ± 76.9
MRT, h[a]	135.8 ± 30.9	69.2 ± 10.2	81.0 ± 110.9
C_{max}, µg/mL[a]	989.0	108.9	21.9
T_{max}, h[a]	1	48	24
AUC_{last}, h × µg/mL[a]	135,810.6	13,089.7	2455.1
V/F, mL[a]	1.4 ± 0.1	-	-
CL/F, mL/h[a]	0.01 ± 0.001	-	-

Invest Ophthalmol Vis Sci. 2016;57:2612–2617. DOI:10.1167/iovs.16-19204

ABP-201 is well tolerated in a preclinical toxicity model



OE scores range from 0 (no abnormalities) to a maximum of 48

Source: PoweredResearch, Safety, Tolerability, and Pharmacokineti C Study Following Intravitreal (IVT) Delivery of a Novel Compound in Rabbit, April 27, 2021.

Administration of ABP-201 results in intraocular pressure (IOP) increases comparable to vehicle control (left panel above). Additionally, ocular examinations (OE) to evaluate ocular surface morphology, anterior segment and posterior segment inflammation, cataract formation, and retinal changes were performed. The OE scores can range from 0, indicating no abnormalities, to 48, indicating a maximum number of maximally severe abnormalities. Other than a mild increase in OE score of 5 at day 1 post-injection, which returned to 0 for the duration of the study, the OE scores were identical to that of the vehicle control. Taken together, the lack of increases in IOP and OE scores suggests that ABP-201 is well-tolerated.

The vitreous humor in the human eye is approximately 4 ml. Given the small volume of the vitreous humor, agents injected intravitreally must be able to be sufficiently concentrated so as to be injected in small enough volumes to not produce significant increases in IOP. Excessive increases in IOP resulting in ocular hypertension is associated with a variety of adverse events such as ocular inflammation, glaucoma, and retinal detachment. As such, ABP-201 formulation efforts have achieved a 100 mg/ml concentration with acceptable biophysical characteristics, especially viscosity. We believe that this concentration will allow us to administer efficacious dose levels of ABP-201 in small enough volumes to avoid toxic increases in IOP. Even so, preliminary evidence suggests that higher concentrations are achievable.

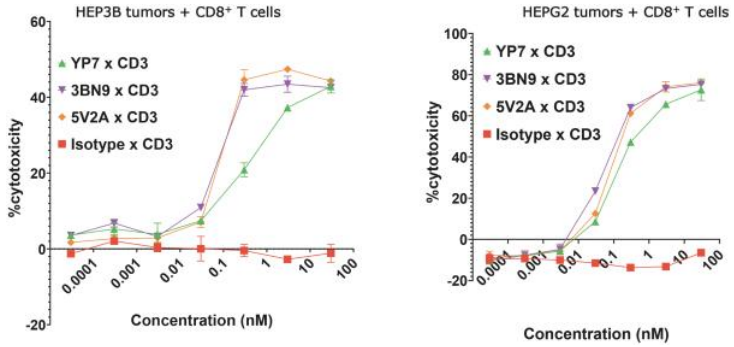
Other programs

Additional TetraBi antibody T-cell engagers

Building on the CD3-directed TetraBi antibody format of ABP-102, we are using our *DiversImmune*® and *MultiMab*™ platforms to develop a broad pipeline of immuno-oncology agents that target highly expressed antigens on a diverse range of tumor types.

ABP-110

ABP-110 is a TetraBi antibody targeting GPC3 and CD3 for the potential treatment of hepatocellular carcinoma, or HCC, the major form of liver cancer. ABP-110 is designed to bind bivalently to GPC3 on HCC cells and CD3 on cytotoxic T cells, bringing these two cell types into close proximity and triggering sustained T-cell activation and tumor cell killing. GPC3 is an onco-fetal antigen that is only expressed during fetal development and on HCC cells, making it an ideal tumor antigen target. GPC3 expression is also prognostic of poor overall survival in HCC, suggesting that ABP-110 may be most effective in the patients at highest risk and most in need of novel therapeutic interventions. Targeting this patient population may provide for a relatively rapid path to approval given the unmet medical need in HCC.

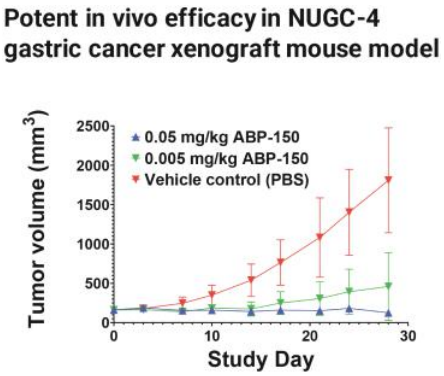


Source: Abpro internal data.

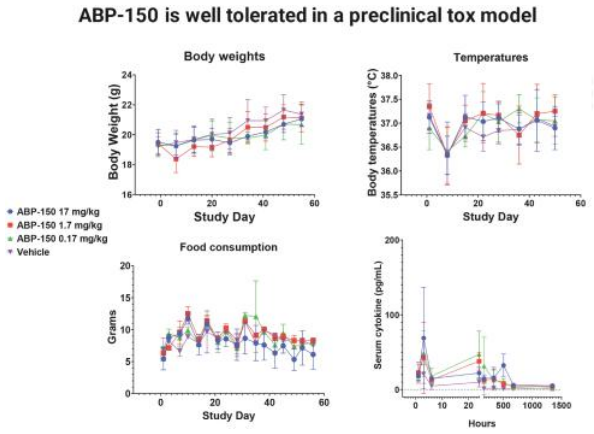
We have generated three lead candidates that have displayed potent T cell-mediated killing of GPC3-positive tumor cells. The next steps are to assess the pharmacokinetics and in vivo efficacy in preclinical GPC3-positive tumor models. We expect to initiate clinical trials for ABP-110 in the first half of 2027. According to SNS Insider, the global liver cancer therapeutics market is projected to reach $12.9 billion by 2030.

ABP-150

ABP-150 is a TetraBi antibody targeting claudin 18.2 and CD3 for the potential treatment of gastric cancers. Like our other T cell engagers, ABP-150 is designed to bind bivalently to claudin 18.2 on gastric cancer cells and to CD3 on cytotoxic T cells, leading to T cell-mediated killing of gastric tumor cells. Claudin 18.2 is exclusively expressed on gastric tissue, a tissue with a high physiological turnover rate, making it tolerant of even moderate acute toxicity without unacceptable or chronic toxic effects.



Source: Abpro internal data.



Source: Abpro internal data.

Preclinically, ABP-150 shows potent killing in in vitro T cell-mediated killing assays. In both mouse syngeneic tumor models using human CD3-transgenic mice and human tumor xenograft models using human peripheral blood mononuclear cells as a source of T cells, ABP-150 shows potent efficacy. As ABP-150 cross-reacts with mouse claudin 18.2, but not mouse CD3, we demonstrated in a human CD3-transgenic mouse toxicity model that ABP-150 is well tolerated, with little impact on body weight, appetite (food consumption) or body temperature. IL-6, a key cytokine for the initiation of cytokine release syndrome, saw little increase over vehicle (placebo) control. The next steps are to evaluate toxicity in a non-human primate model. We expect to initiate clinical trials for ABP-150 in the first half of 2027. According to Data Bridge Market Research, the global gastric cancer market is projected to reach $13.1 billion by 2029.

SARS-CoV-2 neutralizing antibody program

As of October 2023, according to data published by the Word Health Organization, the COVID pandemic has resulted in over 771 million confirmed cases and over 6 million deaths have been reported globally. While vaccination efforts have made tremendous strides in bringing the pandemic under control, vaccination is contraindicated in some individuals, such as the immunocompromised. For these patients, there are no currently available prophylactic therapies. The only therapies available are Nirmatrelvir/ritonavir, molnupiravir, and remdesivir. While these are effective therapies, their toxicities preclude them from being used as prophylactics. Monoclonal antibodies are ideal molecules to serve as prophylactic therapies as they can effectively neutralize the SARS-CoV-2 virus and have a proven safety profile and can be engineered to extend their half-lives. However, all antibody therapies and prophylactics to date have become ineffective due to SARS-CoV-2 viral mutation. In response to the global pandemic, Abpro sought to develop COVID antibodies targeting highly conserved (resistant to mutation) areas of the virus with highly potent neutralizing antibodies engineered to have extended half-lives to allow for dosing intervals of greater than six months, through collaborations with third parties in the form of in-license agreements. Several candidate molecules were evaluated through different stages of development. The most advanced molecule was developed through GMP manufacturing and evaluated in a clinical trial. However, the clinical trial was not successful. Since the health threats from the COVID pandemic have now decreased, Abpro is not planning to focus on this area at this time.

Our Collaborations

We are developing next generation antibodies both independently and in collaboration with leading global biopharmaceutical companies and non-profit and government research institutions. We in-license some of the technology that we use in the ABP-110 and ABP-201 molecules.

In-licensing agreements

We in-license rights to intellectual property relevant or potentially relevant to our development and commercialization plans in the ordinary course of business. We have in-licensed rights to certain intellectual property from the National Institutes of Health, or NIH, and from AstraZeneca (formerly Medimmune).

National Institutes of Health—ABP-110

In September 2017 we entered into a patent license agreement effective as of August 1, 2017 with the National Cancer Institute, or NCI, a division of the NIH, pursuant to which we received an exclusive, worldwide license, with the right to sublicense (subject to certain conditions), under certain patent rights to make, have made, use, have used, sell, have sold, offer to sell and import products covered by the licensed patents in the field of using certain monoclonal antibodies as monospecific or bispecific antibodies for the treatment of liver cancer. The license was amended in May 2020 and October 2023 and the field of use was narrowed to the development and commercialization of a bispecific antibody for the treatment of GPC-3 expressing liver cancer using a particular moiety for targeting GPC3 and the timeline for development and commercialization was extended. We agreed to pay NCI a $25,000 issuance fee in connection with the October 2023 amendment to the patent license agreement. Under the amended patent license agreement, we will be obligated to pay a $25,000 minimum annual royalty, creditable against any earned royalties, and to pay royalties of a single digit percentage based on net sales of licensed products. We also agreed to pay up to an aggregate of approximately $16.0 million of benchmark royalties, which are payable upon achieving certain clinical, regulatory and commercial milestones. We also agreed to pay sublicense royalties ranging from a mid-single digit percentage to a low-double digit percentage based on the fair value of the consideration we receive from any sublicensees. The royalty term expires on a licensed patent-to-licensed patent and country-by-country basis upon the earlier of (i) the date an application in the licensed patents has been abandoned, (ii) the date a licensed patent expires or (iii) the date a licensed patent has been held invalid or unenforceable by a court of competent jurisdiction or administrative agency. Unless earlier terminated, our agreement with NCI will expire upon expiration of all licensed patent rights. NCI may terminate our agreement upon the occurrence of specified bankruptcy events for us or if we are in material default or breach of the agreement and do not cure within a specified notice and cure period. NCI may terminate the agreement if necessary to meet the public use requirement specified by federal regulations and we are not reasonably satisfying such requirements. We may also terminate the agreement as to any licenses in any country or territory upon 60 days written notice. Upon expiration or termination of the agreement, we are required to return to NCI or destroy all licensed products and other materials in the licensed patents.

Our license is subject to the reserved rights of NCI and the U.S. government. Additionally, all licensed products used or sold in the United States are required to be manufactured substantially within the United States.

AstraZeneca

In August 2016, we entered into a collaboration and license agreement through our majority-owned subsidiary, AbMed Corporation, or AbMed, and MedImmune (now AstraZeneca), pursuant to which MedImmune granted AbMed an exclusive, worldwide, royalty-bearing, sublicensable (subject to certain conditions) license under specified patent rights and know-how to make, use, sell certain of its proprietary ANG-2/VEGF-H1RK bispecific antibodies. We hold 82% of the capital stock of AbMed, and MedImmune (now AstraZeneca) holds the remainder. We are responsible for the operational activities of AbMed, and bear all costs necessary to operate AbMed. Our chief executive officer, Ian Chan, is also the chief executive officer of AbMed and oversees the business strategy and operations of AbMed.

Under the agreement, AbMed agreed to pay milestone and royalty payments, including up to $244.0 million in milestone payments, which are comprised of $14.0 million upon meeting certain clinical development milestones, $80.0 million upon achieving certain regulatory events and $150.0 million upon meeting certain worldwide commercial sales thresholds; and tiered high-single digit to low teens percentage royalties based on annualized net sales of each product commercialized from our collaboration on a country-by-country basis.

Unless earlier terminated in accordance with its terms, the agreement with AbMed and AstraZeneca remains in effect on a country-by-country basis until the later of (i) the expiration of patent claims that cover the licensed product in a country, (ii) 10 years after the first commercial sale of a licensed product in a country, and (iii) the expiration of regulatory exclusivity for a licensed product in a country. AbMed could be required to redeem AstraZeneca's equity stake in certain circumstances. We are in breach of the terms of our license agreement with AstraZeneca. See "Risk Factors — Risks Relating to Abpro's Business and Industry — Through our AbMed subsidiary, we have in-licensed certain intellectual property rights relating to ABP-201 from MedImmune Limited, or MedImmune (now AstraZeneca), and are in breach of the terms of our license agreement with MedImmune/AstraZeneca." AstraZeneca may terminate our agreement on the basis of this breach, or upon the occurrence of specified bankruptcy events for us or if we are in material default or breach of the agreement and do not cure within a specified notice and cure period. We may also terminate the agreement upon 90 days written notice.

In November 2016, we entered into an amendment to this agreement pursuant to which Medimmune granted us a non-exclusive sublicense to certain additional intellectual property rights held by Medimmune under an agreement with EMD Millipore Corporation and the know-how included under the agreement was amended. In August 2017, we entered into a side letter with MedImmune to clarify our agreement regarding the timing of our required contribution to AbMed and the issuance of MedImmune's equity stake. The agreement was further amended in November 2017, March 2018 and December 2019 to modify the dates for the achievement of certain development and commercialization milestones and AbMed agreed to use commercially reasonable efforts to reach these development and commercialization milestones within specified timeframes.

Partnerships

Celltrion

ABP-102 is being developed and commercialized through a worldwide strategic partnership with Celltrion Inc. ("Celltrion") (KRX:068270), a leading Korean biopharmaceutical company headquartered in Incheon, South Korea, under a Collaboration Agreement entered into in September 2022 and amended in October 2024. We received an initial milestone payment of $2.0 million from Celltrion in connection with this agreement. We also received an equity investment in our Series F preferred stock of $2.0 million from Celltrion.

We agreed to form a joint steering committee to oversee the collaboration that includes representatives from both our company and Celltrion. Celltrion agreed to use commercially reasonable efforts to develop and commercialize a licensed product, including the achievement of certain milestones by certain dates.

Under the Collaboration Agreement, our company is responsible for certain in vitro pre-clinical work, and Celltrion is responsible for in vivo preclinical work, CMC, clinical development and commercialization on a worldwide basis. All costs and expenses for future development and commercialization of the molecule are required to be paid initially by Celltrion. The proceeds from commercialization are subject to a 50/50 profit split. Amounts that may be paid by third party collaborators, for example upfronts, milestones and/or royalty payments from territorial commercialization partners, are also subject to a 50/50 split. Following commercial approval of ABP-102, we have agreed to reimburse Celltrion 250% of its direct and certain indirect costs and expenses incurred through first commercial sale. Celltrion is entitled to offset amounts otherwise due to us under the agreement until our share of these costs has been paid back; provided that we are entitled to a minimum 25% of profit from commercial sales and from third party collaborators regardless of the amount of unreimbursed development costs outstanding (and then 50% once the reimbursement has been made in full). In addition, we are entitled to up to over $1.75 billion in development and sales milestones. We are responsible for world-wide patent prosecution, with Celltrion reimbursing 50% of our out-of-pocket costs.

Unless earlier terminated, our agreement with Celltrion will remain in effect so long as ABP-102 is being developed or commercialized anywhere in the world. Either party may terminate our agreement upon the occurrence of specified bankruptcy events relating to the other party. We may terminate the agreement if Celltrion is in material default or breach of the agreement and does not cure within a specified notice and cure period. Celltrion may also terminate the agreement upon 180 days written notice.

Abpro Bio

ABP-201 is being developed and commercialized through a territorial partnership with Abpro Bio International, Inc. (“Abpro Bio”), a subsidiary of Abpro Bio Co. Ltd (KOSDAQ:195990), a company formerly named Ugint Co Ltd. with diversified holdings in precision machine tools, equipment and biotechnology headquartered in Daegu, South Korea granting Abpro Bio exclusive development and commercialization rights under a Collaboration and License agreement entered into in January 2020, in the People’s Republic of China, Japan, South Korea, Southeast Asia (which for the purposes hereof means Philippines, Indonesia, Taiwan, Pakistan, India, Vietnam, Laos, Cambodia, Thailand, Myanmar and West Malaysia), the Middle East (which for the purposes hereof means Bahrain, Cyprus, Egypt, Iraq, Israel, Jordan, Kuwait, Lebanon, Northern Cyprus, Oman, Palestine, Qatar, Saudi Arabia, Syria, Turkey, United Arab Emirates and Yemen), and the Commonwealth of Independent States (CIS) (which for the purposes hereof means Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan).

Our company, through our majority owned subsidiary, AbMed Corporation received an equity investment of $30 million from Abpro Bio in connection with this agreement. Under the Collaboration and License Agreement, we granted Abpro Bio an exclusive, royalty-bearing sublicenseable (subject to certain restrictions) license under specified patent rights and know-how to make, use, sell certain proprietary ANG-2/VEGF-H1RK bispecific antibodies in China, Japan, South Korea and certain other countries in South East Asia, the Middle East and the Commonwealth of Independent States (CIS).

We agreed to form a joint steering committee to oversee the collaboration that includes representatives from both AbMed Corporation and Abpro Bio. Abpro Bio agreed to use commercially reasonable efforts to develop and commercialize a licensed product, including the achievement of certain milestones by certain dates. Under the agreement, Abpro Bio agreed to pay us a double-digit percentage royalty in the low teens, tiered based on cumulative net sales by Abpro Bio, its affiliates or sublicensees beginning with the first commercial sale of a licensed product in its territory. We are also entitled to payments totaling approximately $540 million subject to the satisfaction of certain development and sales milestones. We are responsible for patent prosecution and Abpro Bio has agreed to reimburse us for patent costs in its licensed territory. Unless earlier terminated in accordance with its terms, the agreement with Abpro Bio remains in effect on a country-by-country basis until the later of (i) the expiration of patent claims that cover the licensed product in a country, (ii) 10 years after the first commercial sale of a licensed product in a country, and (iii) the expiration of regulatory exclusivity for a licensed product in a country. We may terminate the agreement upon the occurrence of specified bankruptcy events relating to Abpro Bio or if Abpro Bio is in material default or breach of the agreement and does not cure within a specified notice and cure period. Abpro Bio may also terminate the agreement upon 90 days written notice.

NJCTTQ

We entered into a collaboration agreement in January 2019 with NJCTTQ, a pharmaceutical company specializing in research and development, production and commercialization of drugs for cardiovascular diseases, tumors, perioperative care, gastrointestinal disorders and urologic diseases headquartered in Nanjing, China.

We agreed to form a joint steering committee to oversee the collaboration that includes representatives from both our company and NJCTTQ. NJCTTQ paid a technology access fee to us and agreed to reimburse our preclinical research and development costs for the selected program up to CMC stage. Under the agreement, CMC development costs and GLP toxicology costs are shared equally, with each party thereafter being responsible for its own development and commercialization costs in its territory, with the NJCTTQ territory being China and Thailand and our company retaining rights to the rest of the world. The parties agreed to pay reciprocal royalties, with each of them paying the other party low single-digit royalties, tiered based on net sales per calendar year in its territory. In addition, NJCTTQ agreed to pay us milestones based on commercial approval and sales in its territory of up to $405 million and we agreed to pay NJCTTQ a milestone based on commercial approval in our territory of $5 million. ABP-150 is being developed under this agreement.

Unless earlier terminated in accordance with its terms, the initial term of this agreement is five years from its effective date, with automatic renewals for an additional five years unless objected to in writing by a party at least six months prior to expiration of the initial term. If no joint development program gets to clinical stage within the first five years of the collaboration, then the agreement by its terms will not be renewed after expiration. Either party has the right to terminate in the case of material default or breach of the agreement by the other party not cured within a specified period, in which case the parties' rights and obligations under the agreement are terminated, except for rights accrued prior to termination and customary survival clauses. If the agreement is terminated other than for cause, the territorial rights and payment obligations of each party relating to the development and commercialization of a licensed product in its territory survive such termination.

The agreement remains unrenewed at this time after the expiration of its initial term. However, notwithstanding the agreement's expiration, the low single-digit royalties and the $5 million milestone payable to NJCTTQ based on commercial approval in our territory, as described above, will continue to apply.

Manufacturing

We produce small-scale quantities of our antibodies and reagents for characterization, *in vitro* and *in vivo* preclinical assessment of product candidates at our Woburn, Massachusetts research and development facilities. We do not have, and we do not currently plan to acquire or develop, the infrastructure, facilities or capabilities to manufacture current Good Manufacturing Practices, or cGMP, bulk drug substance or filled drug product for use in human clinical trials. We intend to utilize third-party manufacturers such as contract manufacturing organizations, or CMOs, to produce, test and release cGMP bulk drug substance and drug product for our planned clinical trials. We expect to continue to rely on such third parties to manufacture clinical trial material for the foreseeable future.

Competition

The biotechnology and biopharmaceutical industries, and the immuno-oncology and ophthalmology subsectors, are characterized by rapid evolution of technologies, fierce competition and strong defense of intellectual property. Any product candidates that we successfully develop and commercialize will have to compete with existing therapies and new therapies that may become available in the future. While we believe that our proprietary *DiversImmune*® and *MultiMab*™ platforms, along with our scientific expertise in the field of biologics and immuno-oncology, provide us with competitive advantages, a wide variety of institutions, including large biopharmaceutical companies, specialty biotechnology companies, academic research departments and public and private research institutions, are actively developing potentially competitive products and technologies. Our competitors generally fall within the following categories:

- *Antibody developers*. Such as Adimab Inc., AnaptysBio, Inc., Bristol-Myers Squibb Company, Glenmark Pharmaceuticals, Inc., Jounce Therapeutics, Inc., MorphoSys AG, Precigen, Inc. and Regeneron Pharmaceuticals, Inc.

- *Immune-based treatments for cancer, such as CAR T and TCR therapies*. Such as Bellicum Pharmaceuticals, Inc., Bluebird bio, Inc., Bristol-Myers Squibb Company, Cellectis S.A., Gilead Sciences, Inc., Novartis AG, Precigen, Inc., AstraZeneca and Genentech, Inc. (a member of the Roche Group, or Genentech/Roche).

- *Treatments for Ophthalmology related indications*. Such as Allergan plc, Genentech/Roche, Novartis International AG, and Regeneron Pharmaceuticals, Inc.

Many of our competitors, either alone or with strategic partners, have substantially greater financial, technical and human resources than we do. Accordingly, our competitors may be more successful than us in obtaining approval for treatments and achieving widespread market acceptance, rendering our treatments obsolete or non-competitive.

Accelerated merger and acquisition activity in the biotechnology and pharmaceutical industries may result in even more resources being concentrated among a smaller number of our competitors. These companies also compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical study sites and patient registration for clinical studies and acquiring technologies complementary to, or necessary for, our programs. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies.

Our commercial opportunity could be substantially limited in the event that our competitors develop and commercialize products that are more effective, safer, less toxic, more convenient or less expensive than our comparable products. Competitors may also obtain regulatory approvals before us, resulting in our competitors building a strong market position in advance of our products' entry, if any. We believe the factors determining the success of our product pipeline will be the efficacy, safety and convenience of our product candidates.

Intellectual Property

Our commercial success will depend significantly on our and our licensors' ability to obtain and maintain patent and other proprietary protection for our product candidates and the other technology, inventions and improvements we consider important to our business, defend any patents we obtain or in-license, preserve the confidentiality of our trade secrets and operate without infringing the patents and proprietary rights of third parties. Our policy is to seek to protect our proprietary and intellectual property position by, among other methods, filing and in-licensing U.S., international (under Patent Cooperation Treaty, or PCT) and foreign patent applications related to our product candidates and other proprietary technology, inventions and improvements that we consider are important to the development and implementation of our business. We also rely on trade secrets, know-how and continuing technological innovation to develop and maintain our proprietary and intellectual property position.

ABP-102

As of December 31, 2023, we own two patent families that cover compositions of matter, methods of use, and methods of manufacture for our ABP-102 product candidate, a bispecific HER2 and CD3 binding antibody. The first and second families each consist of one pending international Patent Cooperation Treaty ("PCT") patent application. Any patents resulting from these applications would be expected to expire in 2042, excluding any patent term adjustments and/or extensions.

ABP-110

As of December 31, 2023, we have licensed one patent family from the US Department of Health and Human Services that covers compositions of matter, methods of use, and methods of manufacture related to our ABP-110 product candidate, a tetravalent bispecific glypican-3 (GPC3) and CD3 binding antibody. This family includes one issued patent in the United States and issued patents in China, Japan, South Korea, and Singapore. The patents in this family are expected to expire in 2033, excluding any patent term adjustments and/or extensions.

ABP-150

As of December 31, 2023, we own one patent family that covers compositions of matter, methods of use, and methods of manufacture for our ABP-150 product candidate, a bispecific Claudin18.2 and CD3 binding antibody. This family includes applications that are currently pending in the United States, China, Europe, Japan, South Korea, and Thailand. The patents in this family are expected to expire in 2041, excluding any patent term adjustments and/or extensions.

ABP-201

As of December 31, 2023, we own one patent family that covers compositions of matter, methods of use, and methods of manufacture for our ABP-201 product candidate, which binds to both angiopoietin-2, or ANG-2, and vascular endothelial growth factor, or VEGF. This family includes a pending international PCT application and pending applications in the United States, China, Europe, Japan, and South Korea. Any patents resulting from that application would be expected to expire in 2042, excluding any patent term adjustments and/or extensions.

Through our majority-owned subsidiary AbMed Corporation, we have also exclusively licensed from MedImmune/AstraZeneca certain intellectual property originally entered in connection with ABP-200, which we are no longer developing. As of December 31, 2023, we have licensed three patent families from MedImmune/AstraZeneca comprised of pending and/or issued U.S. and foreign patents and applications. The patents in these families are not expected to cover ABP-201 and/or are expected to expire before commercialization of ABP-201, excluding any patent term adjustments and/or extensions. We believe that we do not need the intellectual property licensed under this agreement for the development and eventual commercialization of ABP-201 or any of our other programs.

As of December 31, 2023, one of these licensed patent families includes three issued U.S. patents, and issued patents in Australia, Brazil, China, Hong Kong, Japan, Mexico, Russia, South Korea, as well as pending applications in Europe and India. The patents in this family are expected to expire in 2025, excluding any patent term adjustments and/or extensions.

As of December 31, 2023, the second family of these licensed patent families includes two issued patents in the United States and issued patents in Australia, China, Japan, and South Korea, as well as pending applications in Canada, Europe, Hong Kong, and Israel. Any patents resulting from that application would be expected to expire in 2037, excluding any patent term adjustments and/or extensions.

As of December 31, 2023, the third family of these licensed patents includes two issued patents in the United States, and issued patents in Australia, China, Europe, Hong Kong, Japan, and South Korea, as well as pending applications in Australia, Canada, Europe, Hong Kong, and Israel. Any patents resulting from that application would be expected to expire in 2037, excluding any patent term adjustments and/or extensions.

Regulatory framework

The term of individual patents depends upon the legal term for patents in the countries in which they are obtained. In most countries, including the United States, the patent term is 20 years from the earliest filing date of a non-provisional patent application. In the United States, a patent's term may be lengthened by patent term adjustment, which compensates a patentee for administrative delays by the USPTO in examining and granting a patent, or may be shortened if a patent is terminally disclaimed over an earlier filed co-owned patent. The term of a patent that covers a drug or biological product may also be eligible for patent term extension when FDA approval is granted, provided statutory and regulatory requirements are met. However, as to the FDA component, the restoration period cannot be longer than five years and the total patent term including the restoration period must not exceed 14 years following the FDA approval. Additionally, only one patent may be extended, and only those claims covering the approved drug, a method for using it, or a method for manufacturing it may be extended. The duration of foreign patents varies in accordance with provisions of applicable local law, but typically is also 20 years from the earliest effective filing date. In the future, if and when our product candidates receive approval by the FDA or foreign regulatory authorities, we expect to apply for patent term extensions on issued patents covering those products, depending upon the length of the clinical studies for each product and other factors. There can be no assurance that any of our pending patent applications will issue or that we will benefit from any patent term extension or favorable adjustments to the terms of any of our patents. The FDA and the USPTO in the United States, and any equivalent regulatory authority in other countries, may not agree with our assessment of whether such extensions are available, and may refuse to grant extensions to our patents, or may grant more limited extensions than we request. An extension may also not be granted because of, for example, a failure to exercise due diligence during the testing phase or regulatory review process, failing to apply within applicable deadlines, failing to apply prior to the expiration of relevant patents, or otherwise failing to satisfy applicable requirements. The actual protection afforded by a patent varies on a product-by-product basis, from country-to-country, and depends upon many factors, including the type of patent, the scope of its coverage, the availability of regulatory-related extensions, the availability of legal remedies in a particular country, and the validity and enforceability of the patent. In addition to patents, we rely upon unpatented trade secrets and know-how and continuing technological innovation to develop and maintain our competitive position. We seek to protect our proprietary information, in part, by executing confidentiality agreements with our collaborators and scientific advisors, and non-competition, non-solicitation, confidentiality and invention assignment agreements with our employees and consultants. We also have or intend to implement executed agreements requiring assignment of inventions with selected scientific advisors and collaborators. These confidentiality agreements are designed to protect our proprietary information and, in the case of invention assignment agreements, to grant us ownership of technologies that are developed through a relationship with a third party. However, these agreements may be breached, and we may not have adequate remedies for any breach, with a third party. In addition, our trade secrets may otherwise become known or be independently discovered by competitors. To the extent that our commercial partners, collaborators, employees and consultants use intellectual property owned by others in their work for use, disputes may arise as to the rights in related or resulting know-how and inventions.

We also seek to preserve the integrity and confidentiality of our proprietary technology and processes by maintaining physical security of our premises and physical and electronic security of our information technology systems. Although we have confidence in these individuals, organizations, and systems, agreements or security measures may be breached and we may not have adequate remedies for any breach. To the extent that our employees, contractors, consultants, collaborators, and advisors use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions. For more information regarding the risks related to our intellectual property, proprietary technology, inventions, improvements, platforms and product candidates, please see the section entitled "*Risk Factors — Risks Related to Intellectual Property.*"

Government regulation and product approval

Governmental authorities in the United States, at the federal, state, and local level, and other countries extensively regulate, among other things, the research, development, testing, manufacture, labeling, packaging, promotion, storage, advertising, distribution, marketing, and export and import of products such as those we are developing. Our therapeutic product candidates must be approved by the FDA through the Biologics License Application, or BLA, process before they may be legally marketed in the United States and will be subject to similar requirements in other countries prior to marketing in those countries. The process of obtaining regulatory approvals and the subsequent compliance with applicable federal, state, local, and foreign statutes and regulations require the expenditure of substantial time and financial resources.

U.S. Government regulation

In the United States, the FDA regulates drugs under the Federal Food, Drug, and Cosmetic Act, or FDCA, and, in the case of therapeutic biologics, the Public Health Service Act, or PHSA, and implementing regulations of each. Failure to comply with the applicable U.S. requirements at any time during the product development or approval process, or after approval, may subject an applicant to administrative or judicial sanctions, any of which could have a material adverse effect on us. These sanctions could include:

- refusal to approve pending applications;
- withdrawal of an approval;

- imposition of a clinical hold;
- warning or untitled letters;
- seizures or administrative detention of product;
- total or partial suspension of production or distribution; or
- injunctions, fines, disgorgement, or civil or criminal penalties.

BLA approval process

The process required by the FDA before a therapeutic biologic may be marketed in the United States generally involves the following:

- completion of nonclinical laboratory tests, animal studies and formulation studies conducted according to Good Laboratory Practices, or GLPs, and other applicable regulations;
- submission to the FDA of an IND, which must become effective before human clinical trials may begin, and applicable institutional review boards (IRBs)/ ethics committee approvals;
- performance of adequate and well-controlled human clinical trials according to Good Clinical Practices, or GCPs, to establish the safety and efficacy of the product candidate for its intended use;
- submission to the FDA of a BLA;
- satisfactory completion of an FDA inspection of the manufacturing facility or facilities at which the product candidate is produced to assess readiness for commercial manufacturing and conformance to the manufacturing-related elements of the application, to conduct a data integrity audit, and to assess compliance with cGMPs to assure that the facilities, methods, and controls are adequate to preserve the product candidate's identity, strength, quality, and purity;
- satisfactory completion of an FDA inspection at selected clinical research sites, the contract research organization if the monitoring of the study was outsourced, and/or inspection of the Sponsor organization to assess GCP compliance may also be required and;
- FDA review and approval of the BLA.

Once a biopharmaceutical candidate is identified for development, it enters the preclinical or nonclinical testing stage. Nonclinical tests include laboratory evaluations of product chemistry, toxicity, and formulation, as well as animal studies. An IND sponsor must submit the results of the nonclinical tests, together with manufacturing information and analytical data, to the FDA as part of the IND. Some nonclinical testing may continue even after the IND is submitted. In addition to including the results of the nonclinical studies, the IND will also include a protocol detailing, among other things, the objectives of the clinical trial, the parameters to be used in monitoring safety, and the effectiveness criteria to be evaluated if the first phase lends itself to an efficacy determination. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA, within the 30-day time period, places the IND on clinical hold. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before clinical trials can begin. A clinical hold may occur at any time during the life of an IND and may affect one or more specific studies or all studies conducted under the IND.

All clinical trials must be conducted under the supervision of one or more qualified investigators in accordance with GCPs. They must be conducted under protocols detailing the objectives of the trial, dosing procedures, research subject selection and exclusion criteria, and the safety and effectiveness criteria to be evaluated. Each protocol, and any subsequent material amendment to the protocol, must be submitted to the FDA as part of the IND, and progress reports detailing the status of the clinical trials must be submitted to the FDA annually. Sponsors also must report to the FDA serious and unexpected suspected adverse reactions in a timely manner, any clinically important increase in the rate of a serious suspected adverse reaction over that listed in the protocol or investigation brochure or any findings from other studies or animal or *in vitro* testing that suggest a significant risk in humans exposed to the product candidate. An IRB at each institution participating in the clinical trial must review and approve the protocol before a clinical trial commences at that institution and must also approve the information regarding the trial and the informed consent form that must be provided to each research subject or the subject's legal representative, monitor the study until completed and otherwise comply with IRB regulations. There are also requirements governing the reporting of ongoing clinical trials and completed clinical trial results to public registries.

Human clinical trials are typically conducted in three sequential phases that may overlap or be combined.

- ***Phase 1***—The product candidate is initially introduced into healthy human subjects and tested for safety, dosage tolerance, absorption, metabolism, distribution, and elimination. In the case of some therapeutic candidates for severe or life-threatening diseases, such as cancer, especially when the product candidate may be inherently too toxic to ethically administer to healthy volunteers, the initial human testing is often conducted in patients.

- ***Phase 2***—Clinical trials are performed on a limited patient population intended to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases and to determine dosage tolerance and optimal dosage.

- ***Phase 3***—Clinical trials are undertaken to further evaluate dosage, clinical efficacy, and safety in an expanded patient population at geographically dispersed clinical study sites. These studies are intended to establish the overall risk-benefit ratio of the product and provide an adequate basis for product labeling.

A pivotal study is a clinical study that adequately meets regulatory agency requirements for the evaluation of a product candidate's efficacy and safety such that it can be used to justify the approval of the product. Generally, pivotal studies are also Phase 3 studies but may be Phase 2 studies if the trial design provides a reliable assessment of clinical benefit, particularly in situations where there is an unmet medical need. Human clinical trials are inherently uncertain, and Phase 1, Phase 2, and Phase 3 testing may not be successfully completed. The FDA or the sponsor may suspend a clinical trial at any time for a variety of reasons, including a finding that the research subjects or patients are being exposed to an unacceptable health risk. Similarly, an IRB can suspend or terminate approval of a clinical trial at its institution if the clinical trial is not being conducted in accordance with the IRB's requirements or if the product candidate has been associated with unexpected serious harm to patients.

During the development of a new product candidate, sponsors are given opportunities to meet with the FDA at certain points; specifically, prior to the submission of an IND, at the end of Phase 2 and before a BLA or New Drug Application, or NDA, is submitted. Meetings at other times may be requested. These meetings can provide an opportunity for the sponsor to share information about the data gathered to date and for the FDA to provide advice on the next phase of development.

Post-approval trials, sometimes referred to as "Phase 4" clinical trials, may be conducted after initial marketing approval. These trials are used to gain additional experience from the treatment of patients in the intended therapeutic indication. In certain instances, FDA may mandate the performance of such "Phase 4" clinical trials.

Concurrent with clinical trials, sponsors usually complete additional animal safety studies, develop additional information about the chemistry and physical characteristics of the product candidate, and finalize a process for manufacturing commercial quantities of the product candidate in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product candidate and the manufacturer must develop methods for testing the quality, purity, and potency of the product candidate. To help reduce the risk of the introduction of adventitious agents with use of biological products, the PHSA emphasizes the importance of manufacturing control for products whose attributes cannot be precisely defined. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other criteria, the sponsor must develop methods for testing the identity, strength, quality, potency, and purity of the final biological product. Additionally, appropriate packaging must be selected and tested, and stability studies must be conducted to demonstrate that the biological product candidate does not undergo unacceptable deterioration over its shelf life. Additionally, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that the product candidate does not undergo unacceptable deterioration over its proposed shelf-life.

The results of product development, nonclinical studies, and clinical trials, along with descriptions of the manufacturing process, analytical tests and other control mechanisms, proposed labeling, and other relevant information are submitted to the FDA as part of a BLA requesting approval to market the product. Under the Prescription Drug User Fee Act, or PDUFA, as amended, each BLA must be accompanied by a significant user fee. The FDA adjusts the PDUFA user fees on an annual basis. PDUFA also imposes an annual product fee for products and an annual establishment fee on facilities used to manufacture prescription biological or drug products. Fee waivers or reductions are available in certain circumstances, such as where a waiver is necessary to protect the public health, where the fee would present a significant barrier to innovation, or where the applicant is a small business submitting its first human therapeutic application for review.

Within 60 days following submission of the application, the FDA reviews a BLA submitted to determine if it is substantially complete before the agency accepts it for filing. The FDA may refuse to accept for filing any BLA that it deems incomplete or not properly reviewable at the time of submission, and may request additional information. In this event, the BLA must be resubmitted with the additional information. The resubmitted application also is subject to review before the FDA accepts it for filing. Once the submission is accepted for filing, the FDA begins an in-depth substantive review of the BLA. The FDA reviews the BLA to determine, among other things, whether the proposed product is safe, potent, and/or effective for its intended use, and has an acceptable purity profile and whether the product is being manufactured in accordance with cGMP. The FDA may refer applications for novel products or products that present difficult questions of safety or efficacy to an advisory committee, typically a panel that includes clinicians and other experts, for review, evaluation, and a recommendation as to whether the application should be approved and under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

During the product approval process, the FDA also will determine whether a Risk Evaluation and Mitigation Strategy, or REMS, plan is necessary to assure the safe use of the product. If the FDA concludes a REMS plan is needed, the sponsor of the BLA must submit a proposed REMS plan. The FDA will not approve a BLA without a REMS plan, if required. The FDA has authority to require a REMS plan to ensure that the benefits of a drug or therapeutic biologic outweigh the risks. Before approving a BLA, the FDA will inspect the facilities at which the product is manufactured. The FDA will not approve the product unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. Additionally, before approving a BLA, the FDA will typically inspect one or more clinical sites to assure that the clinical trials were conducted in compliance with IND trial requirements and GCP requirements. To assure cGMP and GCP compliance, an applicant must incur significant expenditure of time, money, and effort in the areas of training, record keeping, production, and quality control. Notwithstanding the submission of relevant data and information, the FDA may ultimately decide that the BLA does not satisfy its regulatory criteria for approval and deny approval. Data obtained from clinical trials are not always conclusive and the FDA may interpret data differently than we interpret the same data. If the agency decides not to approve the BLA in its present form, the FDA will issue a complete response letter that describes all of the specific deficiencies in the BLA identified by the FDA. The deficiencies identified may be minor, for example, requiring labeling changes, or major, for example, requiring additional clinical trials. Additionally, the complete response letter may include recommended actions that the applicant might take to place the application in a condition for approval. If a complete response letter is issued, the applicant may either resubmit the BLA, addressing all of the deficiencies identified in the letter, or withdraw the application. Even if a product receives regulatory approval, the approval may be significantly limited to specific indications and dosages or the indications for use may otherwise be limited, which could restrict the commercial value of the product. Further, the FDA may require that certain contraindications, warnings, or precautions be included in the product labeling. The FDA may impose restrictions and conditions on product distribution, prescribing, or dispensing in the form of a risk management plan, or otherwise limit the scope of any approval.

Post-approval requirements

Once an approval is granted, the FDA may withdraw the approval if compliance with regulatory requirements is not maintained or if problems occur after the product candidate reaches the market. Later discovery of previously unknown problems with a product candidate may result in restrictions on the product candidate or even complete withdrawal of the product candidate from the market. After approval, some types of changes to the approved product candidate, such as adding new indications, manufacturing changes, and additional labeling claims, are subject to further FDA review and approval. In addition, the FDA may under some circumstances require testing and surveillance programs to monitor the effect of approved therapeutic candidates that have been commercialized, and the FDA under some circumstances has the power to prevent or limit further marketing of a product candidate based on the results of these post-marketing programs.

Any therapeutic candidates manufactured or distributed by us pursuant to FDA approvals are subject to continuing regulation by the FDA, including, among other things:

- record-keeping requirements;
- reporting of adverse experiences with the product candidate;
- providing the FDA with updated safety and efficacy information;
- product sampling and distribution requirements;
- notifying the FDA and gaining its approval of specified manufacturing or labeling changes; and
- complying with FDA promotion and advertising requirements, which include, among other things, standards for direct-to-consumer advertising, restrictions on promoting products for uses or in patient populations that are not described in the product's approved labeling, limitations on industry-sponsored scientific and educational activities and requirements for promotional activities involving the internet.

Therapeutic manufacturers and other entities involved in the manufacture and distribution of approved therapeutic products are required to register their establishments with the FDA and certain state agencies and are subject to periodic unannounced inspections by the FDA and some state agencies for compliance with cGMPs and other laws. The FDA periodically inspects manufacturing facilities to assess compliance with cGMP, which imposes extensive procedural, substantive, and record-keeping requirements. In addition, changes to the manufacturing process are strictly regulated, and, depending on the significance of the change, may require FDA approval before being implemented. FDA regulations would also require investigation and correction of any deviations from cGMP and impose reporting and documentation requirements upon us and any third-party manufacturers that we may decide to use if our product candidates are approved. Accordingly, manufacturers must continue to expend time, money, and effort in the area of production and quality control to maintain compliance with cGMP and other aspects of regulatory compliance.

The Orphan Drug Act

Under the Orphan Drug Act, the FDA may grant Orphan Drug Designation to drugs intended to treat a rare disease or condition — generally a disease or condition that affects fewer than 200,000 individuals in the United States. Orphan Drug Designation must be requested before submitting a BLA. After the FDA grants Orphan Drug Designation, the generic identity of the drug and its potential orphan use are disclosed publicly by the FDA. Orphan Drug Designation does not convey any advantage in, or shorten the duration of, the regulatory review and approval process. The first BLA applicant to receive FDA approval for a particular active ingredient to treat a particular disease with FDA Orphan Drug Designation is entitled to a seven-year exclusive marketing period in the United States for that product, for that indication. During the seven-year exclusivity period, the FDA may not approve any other applications to market the same drug for the same disease, except in limited circumstances, such as a showing of clinical superiority to the product with orphan drug exclusivity. Orphan drug exclusivity does not prevent the FDA from approving a different drug for the same disease or condition, or the same drug for a different disease or condition. Among the other benefits of Orphan Drug Designation are tax credits for certain research and a waiver of the BLA application user fee.

New legislation and regulations

From time to time, legislation is drafted, introduced, and passed in Congress that could significantly change the statutory provisions governing the testing, approval, manufacturing, and marketing of products regulated by the FDA. In addition to new legislation, FDA regulations, guidance documents, and policies are often revised or interpreted by the agency in ways that may significantly affect our business and our products. It is impossible to predict whether further new legislation will be enacted or FDA regulations, guidance documents, policies, or interpretations changed or what the effect of such changes, if any, may be.

Review and approval of drug products outside the United States

In order to market any drug product outside of the United States, a company must also comply with numerous and varying regulatory requirements of other countries and jurisdictions regarding quality, safety and efficacy and governing, among other things, clinical trials, marketing authorization, commercial sales, and distribution of drug products. Whether or not it obtains FDA approval for a product, the company would need to obtain the necessary approvals by the comparable foreign regulatory authorities before it can commence clinical trials or marketing of the product in those countries or jurisdictions. The approval process ultimately varies between countries and jurisdictions and can involve additional product testing and additional administrative review periods. The time required to obtain approval in other countries and jurisdictions might differ from and be longer than that required to obtain FDA approval. Regulatory approval in one country or jurisdiction does not ensure regulatory approval in another, but a failure or delay in obtaining regulatory approval in one country or jurisdiction may negatively impact the regulatory process in others.

Pharmaceutical coverage, pricing and reimbursement

In the United States and markets in other countries, patients who are prescribed treatments for their conditions and providers performing the prescribed services generally rely on third-party payors to reimburse all or part of the associated healthcare costs. Significant uncertainty exists as to the coverage and reimbursement status of products approved by the FDA and other government authorities. Thus, even if a product candidate is approved, sales of the product will depend, in part, on the extent to which third-party payors, including government health programs in the United States such as Medicare and Medicaid, commercial health insurers and managed care organizations, provide coverage, and establish adequate reimbursement levels for, the product. The process for determining whether a payor will provide coverage for a product may be separate from the process for setting the price or reimbursement rate that the payor will pay for the product once coverage is approved. Third-party payors are increasingly challenging the prices charged, examining the medical necessity, and reviewing the cost-effectiveness of medical products and services and imposing controls to manage costs. Third-party payors may limit coverage to specific products on an approved list, also known as a formulary, which might not include all of the approved products for a particular indication.

In order to secure coverage and reimbursement for any product that might be approved for sale, a company may need to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of the product, in addition to the costs required to obtain FDA or other comparable marketing approvals. Nonetheless, product candidates may not be considered medically necessary or cost effective. A decision by a third-party payor not to cover a product candidate could reduce physician utilization once the product is approved and have a material adverse effect on sales, results of operations and financial condition. Additionally, a payor's decision to provide coverage for a product does not imply that an adequate reimbursement rate will be approved. Further, one payor's determination to provide coverage for a drug product does not assure that other payors will also provide coverage and reimbursement for the product, and the level of coverage and reimbursement can differ significantly from payor to payor.

The containment of healthcare costs also has become a priority of federal, state and foreign governments and other third-party payors, and the prices of drugs have been a focus in this effort. Governments have shown significant interest in implementing cost-containment programs, including price controls, restrictions on reimbursement, and requirements for substitution of generic products. Adoption of price controls and cost-containment measures, and adoption of more restrictive policies in jurisdictions with existing controls and measures, could further limit a company's revenue generated from the sale of any approved products. Coverage policies and third-party reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for one or more products for which a company or its collaborators receive marketing approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

Outside the United States, ensuring adequate coverage and payment for a product also involves challenges. Pricing of prescription pharmaceuticals is subject to governmental control in many countries. Pricing negotiations with governmental authorities can extend well beyond the receipt of regulatory marketing approval for a product and may require a clinical trial that compares the cost effectiveness of a product to other available therapies. The conduct of such a clinical trial could be expensive and result in delays in commercialization.

Healthcare law and regulation

Healthcare providers and third-party payors play a primary role in the recommendation and prescription of drug products that are granted marketing approval. Arrangements with providers, consultants, third-party payors, and customers are subject to broadly applicable fraud and abuse, anti-kickback, false claims laws, reporting of payments to physicians and teaching physicians, patient privacy laws and regulations, and other healthcare laws and regulations that may constrain business and/or financial arrangements. Restrictions under applicable federal and state healthcare laws and regulations include the following:

- the federal Anti-Kickback Statute, which prohibits, among other things, a person or entity from knowingly and willfully soliciting, offering, paying, receiving, or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, lease, order, arrange for or recommendation of, any good, facility, item or service, for which payment may be made, in whole or in part, by a federal healthcare program such as Medicare or Medicaid. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. Violation of the federal Anti-Kickback Statue carries criminal penalties and fines as well as administrative sanctions under the Civil Money Penalties Law. In addition, a violation of the Anti-Kickback Statute can form the basis for a violation of the federal False Claims Act;

- federal civil and criminal false claims laws, including the civil False Claims Act, and civil monetary penalties laws, which prohibit an individual or entity from, among other things, knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false, fictitious, or fraudulent or knowingly making, using, or causing to made or used a false record or statement to avoid, decrease, or conceal an obligation to pay money to the federal government;

- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which imposes criminal and civil liability for executing a scheme to defraud any healthcare benefit program, or knowingly and willingly falsifying, concealing, or covering up a material fact or making any materially false statement in connection with the delivery of or payment for healthcare benefits, items, or services. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;

- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, and their respective implementing regulations, including the Final Omnibus Rule published in January 2013, which impose obligations on certain covered entity healthcare providers, health plans, and healthcare clearinghouses as well as their business associates that perform certain services involving the use or disclosure of individually identifiable health information, including mandatory contractual terms, with respect to safeguarding the privacy, security, and transmission of individually identifiable health information, and require notification to affected individuals and regulatory authorities of certain breaches of security of individually identifiable health information;

- the federal false statements statute, which prohibits knowingly and willfully falsifying, concealing, or covering up a material fact, or making any materially false statement in connection with the delivery of or payment for healthcare benefits, items, or services;

- the federal transparency requirements known as the federal Physician Payments Sunshine Act, created by the Patient Protection and Affordable Care Act, as amended by the Health Care Education Reconciliation Act, or the ACA, which requires certain manufacturers of drugs, devices, biologics, and medical supplies for which payment is available under Medicare, Medicaid, or the Children's Health Insurance Program to report annually to the Centers for Medicare & Medicaid Services, or CMS, information related to payments and other transfers of value made to physicians and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members; and

- analogous local, state, and foreign laws and regulations, such as state anti-kickback and false claims laws that may apply to healthcare items or services that are reimbursed by third-party payors, including private insurers; local, state, and foreign transparency laws that require manufacturers to report information related to payments and transfers of value to other health care providers and health care entities, or marketing expenditures; state laws that require pharmaceutical companies to register certain employees engaged in marketing activities in the locale and comply with the pharmaceutical industry's voluntary compliance guidelines or relevant compliance guidance promulgated by the federal government; and state and foreign laws that govern the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

If our operations are found to be in violation of any such requirements, we may be subject to sanctions, including criminal fines, significant civil monetary penalties, individual imprisonment, disgorgement, contractual damages, reputational harm, exclusion from participation in government healthcare programs, integrity obligations, injunctions, recall or seizure of products, total or partial suspension of production, denial or withdrawal of pre-marketing product approvals, private qui tam actions brought by individual whistleblowers in the name of the government, refusal to allow us to enter into supply contracts, including government contracts, and the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our results of operations. Although effective compliance programs can mitigate the risk of investigation and prosecution for violations of these laws, these risks cannot be entirely eliminated. Any action against us for an alleged or suspected violation could cause us to incur significant legal expenses and could divert our management's attention from the operation of our business, even if our defense is successful. In addition, achieving and sustaining compliance with applicable laws and regulations may be costly to us in terms of money, time and resources.

Healthcare reform

In both the United States and certain foreign jurisdictions, there have been a number of legislative and regulatory changes to the health care system that could impact our ability to sell our products profitably. In particular, in 2010, the ACA was enacted, which, among other things, addressed a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs and biologics; increased the minimum Medicaid rebates owed by most manufacturers under the Medicaid Drug Rebate Program; extended the Medicaid Drug Rebate program to utilization of prescriptions of individuals enrolled in Medicaid managed care organizations; subjected manufacturers to new annual fees and taxes for certain branded prescription drugs; created a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% (increased to 70% as of January 1, 2019 and further revised, effective January 1, 2025 under the IRA), point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D; and provided incentives to programs that increase the federal government's comparative effectiveness research. Effective January 1, 2025, certain provisions of the Inflation Reduction Act of 2022 will reduce Medicare Part D beneficiaries' annual out-of-pocket maximum from $7,050 to $2,000, thereby effectively eliminating the coverage gap.

Since its enactment, there have been numerous judicial, administrative, executive and legislative challenges to certain aspects of the ACA. On June 17, 2021, the U.S. Supreme Court dismissed the most recent judicial challenge to the ACA brought by several states without specifically ruling on the constitutionality of the ACA. Prior to the Supreme Court's decision, President Biden issued an executive order to initiate a special enrollment period from February 15, 2021 through August 15, 2021 for purposes of obtaining health insurance coverage through the ACA marketplace. The executive order also instructed certain governmental agencies to review and reconsider their existing policies and rules that limit access to healthcare, including among others, reexamining Medicaid demonstration projects and waiver programs that include work requirements, and policies that create unnecessary barriers to obtaining access to health insurance coverage through Medicaid or the ACA. It is unclear how other healthcare reform measures of the Biden administration or other efforts, if any, to challenge, repeal or replace the ACA will impact our business.

Other legislative changes have been proposed and adopted in the United States since the ACA was enacted:

- In August 2011, the Budget Control Act of 2011 and subsequent legislation, among other things, created measures for spending reductions by Congress, including a reduction of Medicare payments to providers up to 2% per fiscal year, and, due to subsequent legislative amendments, this will remain in effect through 2030 unless additional Congressional action is taken.

- The U.S. American Taxpayer Relief Act of 2012 was signed into law in 2013, which among other things, further reduced Medicare payments to several types of providers.

- On May 30, 2018, the Right to Try Act, was signed into law. The law, among other things, provides a federal framework for certain patients to access certain investigational new drug products that have completed a Phase 1 clinical trial and that are undergoing investigation for FDA approval. Under certain circumstances, eligible patients can seek treatment without enrolling in clinical trials and without obtaining FDA permission under the FDA expanded access program. There is no obligation for a pharmaceutical manufacturer to make its drug products available to eligible patients as a result of the Right to Try Act.

- The Further Consolidated Appropriations Act, signed into law in 2019, repealed the Cadillac tax, the health insurance provider tax, and the medical device excise tax. It is impossible to determine whether similar taxes could be instituted in the future.

There has been increasing legislative and enforcement interest in the United States with respect to product pricing practices. Specifically, there have been several recent U.S. Congressional inquiries and proposed federal and state legislation designed to, among other things, bring more transparency to drug pricing, reduce the cost of therapies under Medicare, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drug products. The HHS has already started the process of soliciting feedback on some of these measures and, at the same time, is immediately implementing others under its existing authority. It is unclear what effect such legislative and enforcement interest may have on our product candidates.

Further, on December 13, 2016, President Obama signed the 21st Century Cures Act, or Cures Act, into law. Among other provisions, the Cures Act reauthorized the existing priority review voucher program for certain drugs intended to treat rare pediatric diseases until 2020; created a new priority review voucher program for drug applications determined to be material national security threat medical countermeasure applications; revised the FDCA to streamline review of combination product applications; required the FDA to evaluate the potential use of "real world evidence" to help support approval of new indications for approved drugs; provided a new "limited population" approval pathway for antibiotic and antifungal drugs intended to treat serious or life-threatening infections; and authorized the FDA to designate a drug as a "regenerative advanced therapy," thereby making it eligible for certain expedited review and approval designations.

We expect that these and other healthcare reform measures that may be adopted in the future, may result in more rigorous coverage criteria and in additional downward pressure on the price that we receive for any approved product, which could have an adverse effect on customers for our product candidates. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payers.

There have been, and likely will continue to be, legislative and regulatory proposals at the foreign, federal and state levels in the U.S. directed at broadening the availability of healthcare and containing or lowering the cost of healthcare. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability or commercialize our products. Such reforms could have an adverse effect on anticipated revenue from product candidates that we may successfully develop and for which we may obtain regulatory approval and may affect our overall financial condition and ability to develop products. If we, or any third parties we may engage, are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we or such third parties are not able to maintain regulatory compliance, our current or any future product candidates we may develop may lose any regulatory approval that may have been obtained and we may not achieve or sustain profitability.

Employees

As of October 1, 2024, we have 15 full-time employees and one part-time employee; 12 of whom are primarily engaged in research and development activities and 6 of whom have an M.D. or Ph.D. degree. None of our employees are represented by a labor union or covered by a collective bargaining agreement.

Facilities

We occupy approximately 13,974 square feet of office and laboratory space in Woburn, Massachusetts, under a lease that expires on September 30, 2025, which we use for our corporate headquarters as well as certain of our research and development activities. We occupy approximately 2,800 square feet of office and laboratory space in Burlington, Massachusetts, under a lease that expires on April 30, 2025, which we use primarily for research and development activities.

Legal Proceedings

From time to time, we may become involved in litigation relating to claims arising from the ordinary course of business. Our management believes that there are currently no claims or actions pending against us, the ultimate disposition of which would have a material adverse effect on our results of operations, financial condition or cash flows.

In January 2023, we entered into a settlement agreement with Parexel International (IRL) Limited relating to payment obligations arising out of a clinical trial performed by Parexel, which was co-financed by our company and Mabwell (Shanghai) Bioscience Co., Ltd. (SHA: 688062), a biopharmaceutical company headquartered in Shanghai, China ("Mabwell"). Our company made some but not all installment payments due under the settlement agreement and Parexel filed a complaint in Superior Court in Middlesex County, Massachusetts in April 2023. Parexel subsequently amended the complaint twice and filed a motion for default judgment in September 2023 seeking contractual damages of approximately $640,000 plus additional damages under Massachusetts Chapter 93A for deceptive business practices. A hearing on the motion was held on January 9, 2024. The court asked for additional submissions by January 16, 2024 and indicated that a ruling would follow thereafter. On January 26, 2024, the court entered a judgment in the case awarding Parexel a total of approximately $700,000 and rejecting Parexel's claim under Chapter 93A.

In March 2017, we entered into an Exclusive License Agreement with Memorial Sloan Kettering Cancer Center ("MSK"), which was subsequently amended by Amendment No. 1 to Exclusive License Agreement dated March 31, 2017, Amendment No. 2 to Exclusive License Agreement dated March 31, 2018, and Amendment No. 3 to Exclusive License Agreement dated December 31, 2019 (collectively, the "Exclusive MSK License Agreement"). In June 2023, we received a notice of breach from MSK followed by a notice of termination in September 2023, pursuant to which MSK demanded payments totaling at least $1,060,404.91 in principal and $169,173.45 in interest. We do not dispute the payment obligations under the Exclusive MSK License Agreement and have not made the payment to preserve cash. As of October 2024, we are working to finalize a settlement agreement including a cash component significantly less than the face amount of the obligation.

On August 12, 2024, our landlord filed a Summary Process (Eviction) Summons and Complaint with the District Court in Woburn, Massachusetts relating to our Cummings Park premises. On November 25, 2024, the Summons was dismissed by the landlord.

We are unable to predict the ultimate outcome of these matters, the timing of any final decisions of various agencies or courts, or the impact on our results of operations, financial condition or cash flows.

DIRECTORS AND EXECUTIVE OFFICERS

Executive Officers and Directors

The following table sets forth the names, ages and positions of the directors and executive officers of Abpro Holdings, Inc.

Name	Age	Position
Executive Officers		
Ian Chan[3]	44	Chief Executive Officer, Director
Robert Markelewicz	45	Chief Medical Officer
J. Wook (Miles) Suk[3]	46	Co-Chief Executive Officer, Director and Chairman of the Board
Non-Employee Directors		
Anthony D. Eisenberg[2]	44	Director
Soo Young Lee[2]	65	Director
Ian McDonald[1]	63	Director

(1) Class I Director

(2) Class II Director

(3) Class III Director

Background of Directors and Executive Officers

Executive Officers

Ian Chan has served as the Chief Executive Officer and as a member of the Board of New Abpro since the Business Combination, and previously served as Abpro's Chief Executive Officer since January 2020 and served on its board of directors since co-founding Abpro in 2004. Mr. Chan previously served as Abpro's Chief Executive Officer from 2004 to 2018 and Chairman of its board of directors from 2004 to January 2020. Mr. Chan served as co-Chief Executive Officer and as a director of Abpro Bio. Co. Ltd. (KOSDAQ: 195990) from August 2019 to November 2023. Mr. Chan earned an A.B. in Biology and Economics from Brown University and an M.B.A. from the Harvard Business School. We believe Mr. Chan's experience on Abpro's board of directors and as Abpro's chief executive officer, as well as his experience in the industry, qualifies him to serve on the board of directors.

Jin Wook (Miles) Suk has served as the Co-Chief Executive Officer and as a member of the Board of New Abpro since the Business Combination, and previously served as a member of Abpro's board of directors since January 2020 and as Co-Chief Executive Officer since September 2024. From September 2011 to September 2019, Mr. Suk served on the board of directors, and as a senior director and advisor, of Gan & Lee Pharmaceuticals Co., Ltd., a public pharmaceutical company specializing in the development, production, and commercialization of insulin analogs and medical devices. Mr. Suk co-founded Bio CND Inc., a pharmaceutical company, which was later acquired. Mr. Suk also has extensive experience in licensing, strategic alliance, and co-development deals at LG Life Sciences, Ltd., a company engaged in manufacturing, supply, and distribution of pharmaceutical products, animal health products and specialty chemicals. Mr. Suk earned a B.S. in Microbiology from Michigan State University. We believe that Mr. Suk's business experience, and his previous service on the board of directors of a public company in the industry, qualify him to serve as a member of the board of directors.

Robert J. Markelewicz, Jr., M.D., M.M.Sc., has served as the Chief Medical Officer of New Abpro since the Business Combination, and previously served as the Chief Medical Officer of Abpro since June 2018. Prior to that, he was Senior Medical Director at Celgene Corporation, a cancer and immunology pharmaceutical company, from December 2014 to July 2018, and Medical Director at Parexel International Corporation, a provider of biopharmaceutical services, from December 2012 to December 2014. Dr. Markelewicz is a Diplomate of the American Board of Nuclear Medicine and an Allopathic Physician in the State of Rhode Island and the Commonwealth of Massachusetts. Dr. Markelewicz received an Sc.B. in Biology, an M.M.Sc. in Medical Science and an M.D. from Brown University.

Non-Employee Directors

Anthony D. Eisenberg has served as a director of New Abpro since the Business Combination. Prior to the Business Combination, Mr. Eisenberg served as ACAB's Chief Strategy Officer and served as a director of ACAB since January 2022. Mr. Eisenberg also served as Chief Strategy Officer and a director of ACA I from February 2021 to October 2023. Since 2013, Mr. Eisenberg has managed Tappan Street, a multi-strategy family office with expertise in environmental, social and corporate governance principles and private market investments. Since March 2020, Mr. Eisenberg has also served on the board of advisors of Komma, a mobility company targeting the urban mobility vehicle market. From 2013 to 2019, Mr. Eisenberg served on the board of advisors of Michigan Income Principal-Protected Growth Fund, an impact investing fund in partnership with the State of Michigan and the US Department of Treasury and led the firm's development activities. Mr. Eisenberg began his career in politics working in the Office of U.S. Senator Debbie Stabenow, Patton Boggs and the D.C. based research group Marwood Group, prior to his principal investing career, which began at the hedge fund Christofferson Robb & Company. Mr. Eisenberg holds an M.B.A. in Finance from Georgetown University-The McDonough School of Business, a J.D. from the University of Michigan Law School and a B.B.A. in Finance and Political Science from the University of Miami. We believe Mr. Eisenberg's experience in public policy and expertise in private market investments makes him well-qualified to serve on our Board.

Soo Young Lee has served as a director of New Abpro since the Business Combination. Mr. Lee has also served as a senior vice president and head of the new drug division of Celltrion Inc., a leading Korean biopharmaceutical company, since April 2022. From January 2019 to March 2022, Mr. Lee served as a vice president and head of the vaccine and non-clinical department of Celltrion Inc. Mr. Lee has also served on the board of directors of A&G Pharmaceuticals, Inc., a pharmaceutical company specializing in the development of products that improve cancer detection, diagnosis, and treatment, since April 2022. Mr. Lee earned a master's degree from Hanyang University in biochemical engineering, and he earned a Ph.D. from Inha University in biochemical engineering. We believe that Mr. Lee's experience in drug development, and his previous service on the board of directors of a pharmaceutical company, qualify him to serve as a member of the board of directors.

Ian McDonald has served as a director of New Abpro since the Business Combination. Mr. McDonald has also served as the Chief Executive Officer and as a director of Bright Minds Biociences Inc. since 2017. Previously, he served on the management team at a TSX-listed gold mining company, Avnel Gold, from August 2016 to September 2017. In that capacity, Mr. McDonald developed and implemented the corporate strategy as it relates to M&A and capital markets resulting in a $160 million sale within one year. Previously, he worked in a senior role at a Canadian Investment Bank and in private equity in Vancouver, London and Toronto. Under McDonald's guidance, clients raised hundreds of millions of dollars in capital. Mr. McDonald has served as a member of the Board of Directors of several TSX Venture Exchange, Canadian Securities Exchange-listed and private companies. Mr. McDonald has a B.A. in Business from Arizona State University. We believe Mr. McDonald's experience as an executive and board member of a publicly traded company and in the bioscience industry makes him well-qualified to serve on our board of directors.

Family Relationships

There are no family relationships among any of our directors or executive officers.

Board Composition

Our business and affairs are organized under the direction of our Board. The Board consists of five members upon consummation of the Business Combination. The primary responsibilities of the Board is to provide oversight, strategic guidance, counseling, and direction to our management. The Board will meet on a regular basis and additionally as required.

In accordance with our Charter, our Board is divided into three classes, Class I, Class II and Class III, with members of each class serving staggered three-year terms. The directors are assigned to the following classes:

- Class I consists of Mr. McDonald, whose term will expire at our 2025 annual meeting of stockholders;
- Class II consists of Mr. Eisenberg and Mr. Lee, whose terms will expire at our 2026 annual meeting of stockholders; and
- Class III consists of Mr. Chan and Mr. Suk, whose terms will expire at our 2027 annual meeting of stockholders.

At each annual meeting of stockholders to be held after the initial classification, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following their election and until their successors are duly elected and qualified. This classification of our Board may have the effect of delaying or preventing changes in our control or management.

Director Independence

As a result of our Common Stock being listed on the Nasdaq, we adhere to the listing rules of the Nasdaq in affirmatively determining whether a director is independent. Our Board has consulted, and will consult, with its counsel to ensure that the Board's determinations are consistent with those rules and all relevant securities and other laws and regulations regarding the independence of directors. The Nasdaq listing standards generally define an "independent director" as a person, other than an executive officer of a company or any other individual having a relationship which, in the opinion of the issuer's board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Each of the directors other than Mr. Chan and Mr. Suk qualify as independent directors as defined under the listing rules of the Nasdaq, and our board consists of a majority of independent directors, as defined under the rules of the SEC and Nasdaq Listing Rules relating to director independence requirements. In addition, we are subject to the rules of the SEC and Nasdaq relating to the membership, qualifications, and operations of the audit committee, the compensation committee, and the nominating and corporate governance committee, as discussed below.

Board Oversight of Risk

One of the key functions of our Board will be informed oversight of its risk management process. The Board does not anticipate having a standing risk management committee, but rather anticipates administering this oversight function directly through the Board as a whole, as well as through various standing committees of the Board that address risks inherent in their respective areas of oversight. In particular, our Board will be responsible for monitoring and assessing strategic risk exposure and our audit committee will have the responsibility to consider and discuss the combined company's major financial risk exposures and the steps its management will take to monitor and control such exposures, including guidelines and policies to govern the process by which risk assessment and management is undertaken. The audit committee will also monitor compliance with legal and regulatory requirements. Our compensation committee will also assess and monitor whether our compensation plans, policies and programs comply with applicable legal and regulatory requirements. Our nominating and corporate governance committee will monitor the effectiveness of our governance guidelines and provide oversight with respect to corporate governance.

Committees of the Board

Our Board established an audit committee, a compensation committee and a nominating and corporate governance committee. Our Board adopted a written charter for each of these committees, which complies with the applicable requirements of current Nasdaq Listing Rules. Copies of the charters for each committee are available on the investor relations portion of New Abpro's website. The composition and function of each committee will comply with all applicable requirements of the Sarbanes-Oxley Act and all applicable SEC rules and regulations.

Audit Committee

The members of the audit committee are Mr. Eisenberg, Mr. McDonald, and Mr. Lee, with Mr. Eisenberg serving as chair. Our Board has determined that each of the members of the audit committee will be an "independent director" as defined by, and meet the other requirements of the Nasdaq Listing Rules applicable to members of an audit committee and Rule 10A-3(b)(i) under the Exchange Act, including that each member of the audit committee can read and understand fundamental financial statements in accordance with Nasdaq audit committee requirements. In arriving at this determination, the Board examined each audit committee member's scope of experience and the nature of their prior and current employment. The audit committee will meet on at least a quarterly basis. Both the combined company's independent registered public accounting firm and management intend to periodically meet privately with our audit committee.

The primary purpose of the audit committee is to discharge the responsibilities of the Board with respect to our accounting, financial, and other reporting and internal control practices and to oversee our independent registered accounting firm. Specific responsibilities of our audit committee include:

- assisting the Board in the oversight of (i) accounting and financial reporting processes of New Abpro and the audits of the financial statements of New Abpro, (ii) preparation and integrity of the financial statements of New Abpro, (iii) compliance by New Abpro with financial statement and regulatory requirements, (iv) performance of New Abpro's internal finance and accounting personnel and its independent registered public accounting firms, and (v) qualifications and independence of New Abpro's independent registered public accounting firms;
- reviewing with each of the internal and independent registered public accounting firms the overall scope and plans for audits, including authority and organizational reporting lines and adequacy of staffing and compensation;
- reviewing and discussing with management and internal auditors New Abpro's system of internal control and discussing with the independent registered public accounting firm any significant matters regarding internal controls over financial reporting that have come to its attention during the conduct of its audit;
- reviewing and discussing with management, internal auditors and independent registered public accounting firm New Abpro's financial and critical accounting practices, and policies relating to risk assessment and management;
- receiving and reviewing reports of the independent registered public accounting firm discussing (i) all critical accounting matters in the firm's audit of New Abpro's financial statements, (ii) all alternative treatments of financial information within U.S. GAAP that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent registered public accounting firm, and (iii) other material written communications between the independent registered public accounting firm and management, such as any management letter or schedule of unadjusted differences;
- reviewing and discussing with management and the independent registered public accounting firm the annual and quarterly financial statements and section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" of New Abpro prior to the filing of New Abpro's Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q;
- reviewing, or establishing, standards for the type of information and the type of presentation of such information to be included in, earnings press releases and earnings guidance provided to analysts and rating agencies;
- discussing with management and the independent registered public accounting firm any changes in New Abpro's critical accounting principles and the effects of alternative U.S. GAAP methods, off-balance sheet structures and regulatory and accounting initiatives;
- reviewing material pending legal proceedings involving New Abpro and other contingent liabilities;

- meeting periodically with the Chief Executive Officer, Chief Financial Officer, the senior internal auditing executive and the independent registered public accounting firm in separate executive sessions to discuss results of examinations;

- reviewing and approving all transactions between New Abpro and related parties or affiliates of the officers of New Abpro requiring disclosure under Item 404 of Regulation S-K prior to New Abpro entering into such;

- establishing procedures for the receipt, retention and treatment of complaints received by New Abpro regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submissions by employees or contractors of concerns regarding questionable accounting or accounting matters;

- reviewing periodically with New Abpro's management, the independent registered public accounting firm and outside legal counsel (i) legal and regulatory matters which may have a material effect on the financial statements, and (ii) corporate compliance policies or codes of conduct, including any correspondence with regulators or government agencies and any employee complaints or published reports that raise material issues regarding New Abpro's financial statements or accounting policies and any significant changes in accounting standards or rules promulgated by the Financial Accounting Standards Board, the SEC or other regulatory authorities; and;

- establishing policies for the hiring of employees and former employees of the independent registered public accounting firm.

Audit Committee Financial Expert

Our Board has determined that Mr. Eisenberg qualifies as an "audit committee financial expert" as such term is defined in Item 407(d)(5) of Regulation S-K and meets the financial sophistication requirements of the Nasdaq Listing Rules. In making this determination, our Board considered Mr. Eisenberg's formal education, training, and previous experience in financial roles.

Compensation Committee

The members of the compensation committee are Mr. Eisenberg, Mr. McDonald, and Mr. Lee, with Mr. Eisenberg serving as chair. Our Board has determined that each of the members will be an "independent director" as defined by the Nasdaq Listing Rules applicable to members of a compensation committee. The Board has determined that each of the members of the compensation committee is a non-employee director, as defined in Rule 16b-3 promulgated under the Exchange Act and satisfy the independence requirements of the Nasdaq. The compensation committee will meet from time to time to consider matters for which approval by the committee is desirable or is required by law.

Specific responsibilities of our compensation committee include:

- reviewing the performance of the Chief Executive Officer and executive management;

- assisting the Board in developing and evaluating potential candidates for executive positions (including Chief Executive Officer);

- reviewing and approving goals and objectives relevant to the Chief Executive Officer and other executive officer compensation, evaluating the Chief Executive Officer's and other executive officers' performance in light of these corporate goals and objectives, and setting Chief Executive Officer and other executive officer compensation levels consistent with its evaluation and New Abpro's philosophy;

- approving the salaries, bonuses and other compensation for all executive officers;

- reviewing and approving compensation packages for new corporate officers and termination packages for corporate officers as requested by management;
- reviewing and discussing with the Board and senior officers plans for officer development and corporate succession plans for the Chief Executive Officer and other senior officers;
- reviewing and making recommendations concerning executive compensation policies and plans;
- reviewing and recommending to the Board the adoption of or changes to the compensation of New Abpro's directors;
- reviewing and approving the awards made under any executive officer bonus plan, and providing an appropriate report to the Board;
- reviewing and making recommendations concerning long-term incentive compensation plans, including the use of stock options and other equity-based plans, and, except as otherwise delegated by the Board, acting as the "Plan Administrator" for equity-based and employee benefit plans;
- approving all special perquisites, special cash payments and other special compensation and benefit arrangements for New Abpro's executive officers and employees;
- reviewing and making recommendations concerning executive compensation policies and plans;
- reviewing and recommending to the Board the adoption of or changes to the compensation of New Abpro's directors;
- reviewing and approving the awards made under any executive officer bonus plan, and providing an appropriate report to the Board;
- reviewing and making recommendations concerning long-term incentive compensation plans, including the use of stock options and other equity-based plans, and, except as otherwise delegated by the Board, acting as the "Plan Administrator" for equity-based and employee benefit plans;
- approving all special perquisites, special cash payments and other special compensation and benefit arrangements for New Abpro's executive officers and employees;
- reviewing periodic reports from management on matters relating to New Abpro's personnel appointments and practices;
- assisting management in complying with the Company's proxy statement and annual report disclosure requirements;
- issuing an annual Report of the Compensation Committee on Executive Compensation for New Abpro's annual proxy statement in compliance with applicable SEC rules and regulations;
- annually evaluating the committee's performance and the committee's charter and recommending to the Board any proposed changes to the charter or the committee; and;
- undertaking all further actions and discharging all further responsibilities imposed upon the committee from time to time by the Board, the federal securities laws or the rules and regulations of the SEC.

Nominating and Corporate Governance Committee

The members of the nominating and corporate governance committee are Mr. Eisenberg, Mr. McDonald, and Mr. Lee, with Mr. Eisenberg serving as chair. The Board determined that each of the members will be an "independent director" as defined by the Nasdaq Listing Rules applicable to members of a nominating committee. The nominating and corporate governance committee will meet from time to time to consider matters for which approval by the committee is desirable or is required by law.

Specific responsibilities of our nominating and corporate governance committee include:

- developing and recommending to the Board the criteria for appointment as a director;
- identifying, considering, recruiting and recommending candidates to fill new positions on the Board;
- reviewing candidates recommended by stockholders;
- conducting the appropriate and necessary inquiries into the backgrounds and qualifications of possible candidates; and
- recommending director nominees for approval by the Board and election by the stockholders at the next annual meeting.

The nominating and corporate governance committee will recommend to the board of directors candidates for nomination for election at the annual meeting of the stockholders. In identifying and evaluating potential candidates, the nominating and corporate governance committee will consider several factors, including, without limitation, high personal and professional integrity, strong ethics and values, the ability to make mature business judgments, experience in corporate management such as serving as an officer or former officer of a publicly held company, experience as a board member of another publicly held company, professional and academic experience relevant to our business, leadership skills, experience in finance and accounting, or executive compensation practices, whether candidate has the time required for preparation, participation and attendance at board of directors meetings and committee meetings, if applicable, independence, and the ability to represent the best interests of New Abpro's stockholders.

Code of Ethics

We have adopted a code of ethics that applies to all of our directors, officers and employees in accordance with applicable federal securities laws. A copy of our code of ethics is available on its website. We also intend to post on its website all disclosures that are required by law or the listing standards of Nasdaq concerning any amendments to, or waivers from, any provision of the code of ethics rather than by filing a Current Report on Form 8-K.

Clawback Policy

Effective October 2023 ACAB adopted a Clawback Policy (the "Clawback Policy"). Under the policy, in the event New Abpro is required to prepare an accounting restatement due to material noncompliance of New Abpro with any financial reporting requirement under the U.S. federal securities laws, the Board will take, in its discretion, such action it deems necessary to recover from its executive officers who received incentive-based compensation, based on performance in a year for which New Abpro is required to prepare restated financial statements, the excess of what would have been paid to the executive officer under the accounting restatement. This applies during a lookback period of three years, and the amounts to be reclaimed are as determined by the Board in its sole discretion. For purposes of the Clawback Policy, an executive officer is any of New Abpro's officers who are required, or who have been required during the immediately preceding three calendar years, to file reports pursuant to Section 16 of the Exchange Act as well as New Abpro's Chief Legal Officer, if not included. This policy may, in certain circumstances, be applied to other current or former employees whose actions or omissions contributed to the circumstances requiring the restatement and also involved willful misconduct or a willful violation of any of New Abpro's rules. Additionally, if the Board determines that detrimental conduct has occurred that results in a material adverse impact, any incentive compensation paid during the prior year may be subject to clawback. Incentive compensation excludes base salary and other compensation but includes equity compensation and bonuses.

In October 2022, the SEC adopted new Rule 10D-1 under the Exchange Act, which requires national securities exchanges, including Nasdaq, to establish listing standards relating to executive officer incentive compensation clawback and disclosure rules. In February 2023, Nasdaq released its final version of the proposed listing standards, which require listed companies to adopt, no later than December 1, 2023, clawback policies providing for the recovery of erroneously awarded incentive-based compensation.

Compensation Committee Interlocks and Insider Participation

None of our executive officers currently serves, and in the past year has not served, as a member of the compensation committee of any entity that has one or more executive officers serving on our Board.

Shareholder and Interested Party Communications

Stockholders and interested parties may communicate with our Board, any committee chairperson or the non-management directors as a group by writing to the board or committee chairperson in care of Abpro Holdings, Inc., 68 Cummings Park Drive, Woburn MA 01801. Each communication will be forwarded, depending on the subject matter, to the Board, the appropriate committee chairperson or all non-management directors.

Limitations of Liability and Indemnification of Directors and Officers

Our Charter limits a directors' liability to the fullest extent permitted under the DGCL. The DGCL provides that directors of a corporation will not be personally liable for monetary damages for breach of their fiduciary duties as directors, except for liability:

- for any transaction from which the director derives an improper personal benefit;
- for any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- for any unlawful payment of dividends or redemption of shares; or
- for any breach of a director's duty of loyalty to the corporation or its stockholders.

If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of the directors will be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

Delaware law and the Bylaws provide that New Abpro will, in certain situations, indemnify its directors and officers and may indemnify other employees and other agents, to the fullest extent permitted by law. Any indemnified person is also entitled, subject to certain limitations, to advancement, direct payment, or reimbursement of reasonable expenses (including attorneys' fees and disbursements) in advance of the final disposition of the proceeding.

In addition, New Abpro will enter into separate indemnification agreements with its directors and officers. These agreements, among other things, require New Abpro to indemnify its directors and officers for certain expenses, including attorneys' fees, judgments, fines, and settlement amounts incurred by a director or officer in any action or proceeding arising out of their services as one of its directors or officers or any other company or enterprise to which the person provides services at its request.

New Abpro plans to maintain a directors' and officers' insurance policy pursuant to which its directors and officers are insured against liability for actions taken in their capacities as directors and officers. We believe these provisions in the Charter and the Bylaws and these indemnification agreements are necessary to attract and retain qualified persons as directors and officers.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers, or control persons, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

EXECUTIVE COMPENSATION

References to the "Company," "New Abpro," "our," "us" or "we" in the following section refer to Horizon prior to the Business Combination.

Executive Compensation

We are currently considered an "emerging growth company" within the meaning of the Securities Act for purposes of the SEC's executive compensation disclosure rules. Accordingly, we are required to provide a Summary Compensation Table, as well as limited narrative disclosures regarding executive compensation for our last two completed fiscal years and an Outstanding Equity Awards at Fiscal Year End Table for our last completed fiscal year. These reporting obligations extend only to the following "named executive officers," who are the individuals who served as our principal executive officer and the next two most highly compensated executive officers at the end of the fiscal year 2023.

This section discusses material components of the executive compensation programs for New Abpro's executive officers who area named in the "Summary Compensation Table" below. In 2023, New Abpro's "named executive officers" and their positions were as follows:

- Ian Chan, Chief Executive Officer;
- Robert Markelewicz, Chief Operating Officer; and
- Christian Zapf, the former Senior Vice President Corporate Development and former General Counsel of Abpro.

This discussion may contain forward-looking statements that are based on New Abpro's current plans, considerations, expectations, and determinations regarding future compensation programs.

Summary Compensation Table

The following table contains information pertaining to the compensation of New Abpro's named executives for the years ending December 31, 2023 and 2022.

Name and Principal Position	Year	Salary ($)[1]	Bonus ($)[2]	Option awards ($)[3]	Total ($)
Ian Chan	2023	502,917	—	—	502,917
Chief Executive Officer	2022	500,000	270,000	1,875,705	2,645,705
Robert Markelewicz	2023	466,118	—	—	466,118
Chief Medical Officer	2022	460,803	80,000	24,360	565,163
Christian Zapf	2023	338,337	—	—	338,337
Former Senior Vice President of Corporate Development and Former General Counsel of Abpro[4]	2022	334,479	120,000	121,799	576,278

(1) The amounts in this column represent the amount of base salary earned for service during 2022 and 2023. The following base salary amounts for 2022 were accrued but unpaid as of December 31, 2022: $8,219 for Mr. Chan, $7,618 for Dr. Markelewicz and $5,529 for Mr. Zapf. The following base salary amounts for 2023 were accrued but unpaid as of December 31, 2023: $9,925 for Mr. Chan, $9,198 for Dr. Markelewicz and $6,677 for Mr. Zapf.

(2) The amounts in this column represent the amount of bonus earned for service during 2022 and 2023. The bonus amounts for 2022 were accrued at December 31, 2022 but unpaid in 2023. No bonus was declared yet in 2023.

(3) Amounts shown in this column represent the aggregate grant date fair value of the stock options awarded to the named executive officers in fiscal years 2022 and 2023. These values have been determined in accordance with FASB ASC Topic 718 using a Black-Scholes model. For a discussion of the assumptions and methodologies used to calculate the amounts referred to above, please see the discussion of option awards contained in Note 2 Summary of Significant Accounting Policies, to Abpro's financial statements included elsewhere in this proxy statement/prospectus. The amounts reported in this column reflect the accounting cost for these stock options and do not correspond to the actual economic value that may be received by the named executive officers upon exercise of the stock options. No stock option was awarded to the named executive officers in 2023.

(4) Christian Zapf resigned from his position as SVP of Corporate Development and General Counsel of Abpro effective September 23, 2024, prior to the Closing of the Business Combination.

Narrative Disclosure to the Summary Compensation Table

Elements of Compensation

The compensation of our NEOs generally consists of base salary, annual cash bonus opportunities, long term incentive compensation in the form of equity awards and other benefits, as described below.

Base Salary

The base salary payable to each NEO is intended to provide a fixed component of compensation reflecting the executive's skill set, experience, role, responsibilities, and contributions. Each NEO's initial base compensation was specified in their employment agreement, as described below, and is reviewed (and, if applicable, adjusted) from time to time by Abpro's board of directors.

Bonus

The NEOs are eligible for a performance-based cash bonus opportunity. Each executive's target bonus is set annually by Abpro's compensation committee.

Long Term Equity Incentives

Abpro's equity-based incentive awards are designed to align their interests and the interests of their stockholders with those of their employees and consultants, including the NEOs. The Abpro board of directors or compensation committee approves equity grants.

Executive Compensation Arrangements

Abpro entered into an employment agreement with Mr. Chan and employment offer letters with Dr. Markelewicz and Mr. Zapf, the material terms of which are summarized below.

Ian Chan

On January 15, 2020, Ian Chan entered into an Employment Agreement with Abpro setting forth the terms and conditions of his employment as Chief Executive Officer and President (the "Chan Employment Agreement"). During the term of the agreement, Mr. Chan will be nominated to serve as a member of the board of directors of Abpro. The initial term of the agreement was three years commencing on January 15, 2020 (the "Effective Date"), and the agreement automatically extends in one-year increments on each anniversary of the Effective Date (the "Anniversary"), unless written notice of an intent not to extend is given by either party 180 days prior to the next Anniversary.

The Chan Employment Agreement provides for a base salary of $500,000 ("Base Salary"), subject to annual review by Abpro's compensation committee, and may be increased from time to time during Mr. Chan's term of service, in the board of directors' sole discretion. Mr. Chan is also eligible to receive a discretionary bonus with a specified annual target amount of 50% of his annual Base Salary, as well as incentive compensation, including without limitation, options to acquire shares of Abpro. Mr. Chan may also receive fringe benefits, is eligible to participate in any executive benefit plans from time to time in effect for executive officers of Abpro, and is entitled to reimbursement for reasonable travel and other business expenses incurred by him in the performance of his duties and responsibilities to Abpro.

Mr. Chan's employment may be terminated for death, disability, by Mr. Chan without Cause (as defined in the Chan Employment Agreement), by Abpro without Cause; by Mr. Chan for Good Reason (as defined in the Chan Employment Agreement), or by Abpro for Cause. In the event Mr. Chan is terminated without Cause, Abpro will continue to pay Mr. Chan his annual Base Salary in effect immediately prior to such termination for a period equal to the greater of the remaining term of the Chan Employment Agreement, and 24 months (the "Termination Payment Period"), plus an amount equal to $1/12^{th}$ of any bonus compensation paid to Mr. Chan for the fiscal year immediately preceding the year of termination. Additionally, all awards granted under Abpro's long-term incentive plan shall fully vest. Abpro shall be required to maintain in effect for Mr. Chan for the Termination Payment Period, all group health insurance, unless Mr. Chan's continued participation would result in income tax liability for other executives of Abpro. In the event that Mr. Chan terminates his employment for Good Reason, he shall be entitled to the same termination benefits as if he was terminated without Cause. In the event that Mr. Chan is terminated for Cause, Abpro shall have no further obligation to Mr. Chan except as provided pursuant to the terms of any executive benefit plan of Abpro in which Mr. Chan is then a participant.

In the event that during the term of the Chan Employment Agreement there occurs a "Change in Control" (as defined in the Chan Employment Agreement) and, within 24 months after the Change in Control, Mr. Chan's employment is terminated by Abpro without Cause, or Mr. Chan terminates his employment for Good Reason, Abpro shall pay to Mr. Chan within 30 days following such termination, in lieu of any benefit outlined in the preceding paragraph, an amount, based on Mr. Chan's then current annual Base Salary rate, equal to the greater of (A) the Base Salary Mr. Chan would receive during the remainder of the term of the Chan Employment Agreement absent such termination, and (B) two years of Base Salary.

The Chan Employment Agreement contains customary confidentiality provisions.

Robert Markelewicz Jr.

On June 11, 2018, Abpro provided Robert Markelewicz Jr. with an offer letter setting forth the terms and conditions of his employment as Senior Vice President, Head of Clinical Research and Development, which provides for a base salary of $420,000, a discretionary bonus with a specified annual target amount of 40% of his annual base salary, a $35,000 signing bonus, and eligibility to participate in employee benefit programs established by Abpro. Pursuant to the offer letter, Dr. Markelewicz was also granted 233,500 stock options that vest in full upon a change in control. The offer letter also provides that in the event Dr. Markelewicz is terminated without cause (as defined below), that he is eligible to receive severance consisting of six months of continued base compensation, provided that he sign a separation agreement and release prepared by Abpro, and provided that he sign a confidentiality, non-compete and non-solicitation agreement, which contains (i) customary confidentiality provisions, (ii) a non-compete covenant for one year post-termination of employment, and (iii) non-solicit covenants relating to employees and customers for 24 months and 18 months post-termination of employment, respectively. The offer letter defines "cause" as (i) poor work performance, as determined by Abpro, (ii) misconduct, as determined by Abpro, or (iii) any conduct that Abpro deems materially harmful to its business, interests, or reputation.

Christian Zapf

On November 5, 2020, Abpro provided Christian Zapf with an offer letter setting forth the terms and conditions of his employment as Senior Vice President of Corporate Development and General Counsel, which provides for a base salary of $325,000, a discretionary bonus with a specified annual target amount of 35% of his annual base salary, and eligibility to participate in employee benefit programs established by Abpro. Mr. Zapf was granted 180,000 stock options as consideration for entering into Abpro's Employee Non-Solicitation, Non-Competition, Confidentiality and Assignment Agreement, which contains (i) customary invention assignment and confidentiality provisions and (ii) non-compete and non-solicit covenants for one year post-termination of employment. Mr. Zapf resigned from his position as Senior Vice President of Corporate Development and General Counsel of Abpro effective September 23, 2024, prior to the Closing of the Business Combination.

Outstanding Equity Awards at Fiscal Year-End

The following table summarizes the number of shares of common stock underlying outstanding option awards for each named executive officer as of December 31, 2023. All awards were granted pursuant to 2014 Stock Incentive Plan.

		Option Awards			
Name	**Grant Date**	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Option Exercise Price ($)**	**Option Expiration Date**
Ian Chan	2/3/2014	253,439(1)	—	0.48	2/3/2024
	3/21/2019	282,404(2)	—	3.53	3/21/2029
	6/19/2020	332,500(3)	47,500(3)	3.41	6/19/2030
	4/14/2021	256,666(4)	128,334(4)	3.33	4/14/2031
	2/18/2022	176,458(5)	208,542(5)	3.33	2/18/2032
Robert Markelewicz	9/28/2018	263,500(6)	—	3.53	9/28/2028
	12/19/2018	48,398(7)	—	3.53	12/19/2028
	6/19/2020	18,611(3)	1,389(3)	3.41	6/19/2030
	4/14/2021	23,333(4)	11,667(4)	3.33	4/14/2031
	2/18/2022	2,291(5)	2,709(5)	3.33	2/18/2032
Christian Zapf	12/4/2020	138,750(8)	41,250(8)	3.08	12/4/2030
	2/18/2022	11,458(5)	13,542(5)	3.33	2/18/2032

(1) This option became fully vested and exercisable on January 1, 2018.

(2) This option became fully vested and exercisable on April 6, 2022.

(3) This option vests as follows: 25% vested on June 19, 2021 and the remaining 75% becomes vested in 36 equal monthly installments thereafter, subject to continued service through each vesting date.

(4) This option vests as follows: 25% vested on April 14, 2022 and the remaining 75% becomes vested in 36 equal monthly installments thereafter, subject to continued service through each vesting date.

(5) This option vests as follows: 25% vested on February 18, 2023 and the remaining 75% vesting in 36 equal monthly installments thereafter, subject to continued service through each vesting date.

(6) This option became fully vested and exercisable on August 27, 2022.

(7) This option became fully vested and exercisable on December 12, 2022.

(8) This option vests as follows: 25% vested on November 18, 2021 and the remaining 75% becomes vested in 36 equal monthly installments thereafter, subject to continued service through each vesting date.

Non- Employee Director Compensation

ACAB

None of ACAB's officers or directors received any cash compensation for services rendered to ACAB. ACAB provided reimbursement to its non-employee directors for their reasonable expenses incurred in attending meetings of the ACAB board of directors and its committees. We intend to approve and implement a compensation program for our non-employee directors.

Abpro

Annual compensation for Abpro's non-employee directors is composed of cash and stock-based equity compensation. Cash compensation paid to our non-employee directors consists of an annual retainer.

The table below summarizes the compensation of each person serving as a non-employee director for the year ended December 31, 2023. Ian Chan, Abpro's CEO, did not receive any additional compensation for his service as a director in 2023. The compensation of Mr. Ian Chan as a named executive officer is set forth above under " —*Summary Compensation Table*."

Name	Director Fees Earned or Paid in Cash ($)[1]	Option Awards ($)[2]	Total ($)
Eugene Chan	250,000	—	250,000
Robert Langer	150,000	—	150,000
Mark Tang	—	—	—
Miles Suk	—	—	—

(1) The amounts in this column represent the amount of board director fees or consulting fees paid in cash during 2023. Only Mr. Robert Langer and Mr. Eugene Chan received director compensation in 2023. The rest of the board members did not receive any compensation for their board service during 2023. The director fees of $250,000 paid to Mr. Eugene Chan included both director fees and consulting fees.

(2) No stock option was awarded to the directors in 2023.

The following table lists all outstanding equity awards held by the non-employee directors of Abpro as of December 31, 2023:

Name	Aggregate Number of Shares Underlying Outstanding Options	Aggregate Number of Unvested Restricted Stock Units
Eugene Chan	2,191,903	—
Robert Langer	214,482	26,667
Mark Tang	30,000	8,334
Miles Suk	—	10,834

Summary of the New Abpro Incentive Plan

General

The purpose of the New Abpro Incentive Plan is to enhance New Abpro's ability to attract, retain and motivate persons who make (or are expected to make) important contributions by providing these individuals with equity ownership opportunities and/or equity-linked compensatory opportunities. Equity awards and equity-linked compensatory opportunities are intended to motivate high levels of performance and align the interests of directors, employees and consultants with those of stockholders by giving directors, employees and consultants the perspective of an owner with an equity or equity-linked stake in our company and providing a means of recognizing their contributions to New Abpro's success. Our Board believes that equity ownership opportunities and/or equity-linked compensatory opportunities are necessary to remain competitive in its industry and are essential to recruiting and retaining the highly qualified employees who help us meet our goals.

Shares of Common Stock Available for Issuance

The New Abpro Incentive Plan provides for an aggregate of 6,240,773 shares of Common Stock to be reserved for future issuance (the "Initial Share Limit") plus shares subject to outstanding equity awards granted under Abpro's prior incentive plan that were converted into equity awards denominated in shares of New Abpro Common Stock under the New Abpro Incentive Plan immediately prior to, the consummation of the Business Combination, plus an annual increase on the first day of each fiscal year beginning in 2026 and ending in 2034, equal to the lesser of (A) five (5%) percent of the shares outstanding on the last day of the immediately preceding fiscal year and (B) such smaller number of shares as determined by the Board or the Committee (as defined below). Shares subject to an award under the New Abpro Incentive Plan that are forfeited, cancelled, expired, unexercised or are settled in cash under the New Abpro Incentive Plan will again become available for awards under the New Abpro Incentive Plan. Shares of Common Stock that are tendered or exchanged by a participant or withheld by New Abpro as payment in connection with any award under the New Abpro Incentive Plan, as well as any shares exchanged by a participant or withheld by New Abpro or any subsidiary thereof to satisfy tax withholding obligations related to any full value award, will become available for subsequent awards under the New Abpro Incentive Plan. Shares, if any, that are tendered or exchanged by a participant or withheld by New Abpro as full or partial payment in connection with the exercise of any option or SAR under the New Abpro Incentive Plan or the payment of any tax withholding obligation related thereto or not issued by New Abpro in connection with the stock settlement of any SAR will be added to the aggregate number of shares available for awards under the New Abpro Incentive Plan. Shares, if any, underlying awards that are granted in assumption of, or in substitution for, outstanding awards previously granted by an entity acquired by New Abpro or with which New Abpro combines will not be counted against the aggregate number of shares available for awards under the New Abpro Incentive Plan.

Annual Director Limits

A non-employee director of New Abpro may not be granted awards in respect of such service as a non-employee director under the New Abpro Incentive Plan during any calendar year that, when aggregated with such non-employee director's cash fees received with respect to such calendar year, exceed $750,000 in total value; provided, however, that the non-employee directors who are considered independent (under the rules of the Nasdaq or other securities exchange on which Common Stock is traded) may make exceptions to this limit for a non-executive chair of the Board, if any, in which case the non-employee director receiving such additional compensation may not participate in the decision to award such compensation.

Administration

The New Abpro Incentive Plan will be administered by a committee of at least two people as the Board may appoint, or if no such committee has been appointed by the Board (the "Committee"). The Committee may interpret the New Abpro Incentive Plan and may prescribe, amend and rescind rules and make all other determinations necessary or desirable for the administration of the New Abpro Incentive Plan.

The New Abpro Incentive Plan permits the Committee to select the eligible recipients who will receive awards, to determine the terms and conditions of those awards, including but not limited to the exercise price or other purchase price of an award, the number of shares of Common Stock or cash or other property subject to an award, the term of an award and the vesting schedule applicable to an award, and to amend the terms and conditions of outstanding awards. All decisions made by the Committee pursuant to the provisions of the New Abpro Incentive Plan will be final, conclusive and binding on all persons.

Eligible Participants

Each of the directors, officers, employees, consultants, and advisors (or prospective directors, officers, employees, consultants and advisors) of Board or any of its affiliates are eligible to participate in the New Abpro Incentive Plan, provided that they have been selected by the Committee to receive awards under the New Abpro Incentive Plan.

Types of Awards

The New Abpro Incentive Plan provides for the issuance of stock options (including non-statutory stock options and incentive stock options), stock appreciation rights (referred to as "SARs"), restricted stock, restricted stock units (referred to as "RSUs"), stock bonuses, and performance compensation awards to directors, officers, employees, consultants, and advisors of New Abpro or its affiliates.

RSUs and Restricted Stock

RSUs and restricted stock in respect of Common Stock may be granted under the New Abpro Incentive Plan. The Committee will determine the purchase price, vesting schedule and performance objectives, if any, applicable to the grant of RSUs and restricted stock. If the restrictions, performance objectives or other conditions determined by the Committee are not satisfied, the RSUs and restricted stock will be forfeited. Subject to the provisions of the New Abpro Incentive Plan and the applicable individual award agreement, the Committee may provide for the lapse of restrictions in installments or the acceleration or waiver of restrictions (in whole or part) under certain circumstances as set forth in the applicable individual award agreement, including the attainment of certain performance goals, a participant's termination of employment or service under certain circumstances or a participant's death or disability. The rights of holders of RSUs and restricted stock upon a termination of employment or service will be set forth in individual award agreements.

Unless the applicable award agreement provides otherwise, participants with restricted stock will generally have all of the rights of a stockholder during the restricted period, including the right to vote and receive dividends declared with respect to such restricted stock, provided, that any dividends declared during the restricted period with respect to such restricted stock will only become payable if the underlying restricted stock vests. During the restricted period, participants with RSUs will generally not have any rights of a stockholder, but, if the applicable individual award agreement so provides, may be credited with dividend equivalent rights that will be paid at the time that shares in respect of the related RSUs are delivered to the participant.

Options

Options to acquire Common Stock may be granted under the New Abpro Incentive Plan. Options may be in the form of non-qualified options or "incentive stock options" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, as set forth in the applicable individual option award agreement. The maximum number of shares that may be granted pursuant to options intended to be incentive stock options under the New Abpro Incentive Plan is equal to the Initial Share Limit (subject to adjustment in accordance with the terms of the New Abpro Incentive Plan). The exercise price of all options granted under the New Abpro Incentive Plan will be determined by the Committee, but in no event may the exercise price be less than 100% of the fair market value of the underlying shares of Common Stock on the date of grant (other than options granted in substitution or previously granted awards, as defined in the New Abpro Incentive Plan). The maximum term of all options granted under the New Abpro Incentive Plan will be determined by the Committee, but may not exceed 10 years. Each option will vest and become exercisable (including in the event of the optionee's termination of employment or service) at such time and subject to such terms and conditions as determined by the Committee and set forth in the applicable individual option agreement..

Stock Appreciation Rights

SARs may be granted under the New Abpro Incentive Plan either alone or in conjunction with all or part of any option granted under the New Abpro Incentive Plan. A SAR granted under the New Abpro Incentive Plan entitles its holder to receive, at the time of exercise, an amount per share equal to the excess of the fair market value (at the date of exercise) of a share of Common Stock over the base price of the SAR. A SAR granted in conjunction with all or part of an option under the New Abpro Incentive Plan entitles its holder to receive, at the time of exercise of the SAR and surrender of the related option, an amount per share equal to the excess of the fair market value (at the date of exercise) of a share of Common Stock over the exercise price of the related option. Each SAR will be granted with a base price that is not less than 100% of the fair market value of the related shares of Common Stock on the date of grant (other than SARs granted in substitution of previously granted awards). The maximum term of all SARs granted under the New Abpro Incentive Plan will be determined by the Committee, but may not exceed 10 years. The Committee may determine to settle the exercise of a SAR in Common Stock, cash, or any combination thereof.

Each SAR will vest and become exercisable (including in the event of the SAR holder's termination of employment or service under certain circumstances) at such time and subject to such terms and conditions as determined by the Committee and set forth in in the applicable individual SAR agreement. SARs granted in conjunction with all or part of an option will be exercisable at such times and subject to all of the terms and conditions applicable to the related option.

Stock Bonuses and Cash Awards

The Committee may issue unrestricted shares of Common Stock or other awards denominated in Common Stock, either alone or in tandem with other awards, in such amounts as the Committee may determine in its sole discretion from time to time. Each stock bonus award will be evidenced by an award agreement setting forth the terms and conditions of such awards.

Performance Goals

The Committee may grant equity-based awards and incentives under the New Abpro Incentive Plan that are subject to the achievement of performance objectives selected by the Committee in its sole discretion, including, without limitation, one or more of the following business criteria: (i) net earnings or net income (before or after taxes); (ii) basic or diluted earnings per share (before or after taxes); (iii) revenue or revenue growth (measured on a net or gross basis); (iv) gross profit or gross profit growth; (v) operating profit (before or after taxes); (vi) return measures (including, but not limited to, return on assets, capital, invested capital, equity, or sales); (vii) cash flow (including, but not limited to, operating cash flow, free cash flow, net cash provided by operations and cash flow return on capital); (viii) financing and other capital raising transactions (including, but not limited to, sales of New Abpro's equity or debt securities); (ix) earnings before or after taxes, interest, depreciation and/or amortization; (x) gross or operating margins; (xi) productivity ratios; (xii) share price (including, but not limited to, growth measures and total stockholder return); (xiii) expense targets; (xiv) margins; (xv) productivity and operating efficiencies; (xvi) customer satisfaction; (xvii) customer growth; (xviii) working capital targets; (xix) measures of economic value added; (xx) inventory control; (xxi) enterprise value; (xxii) sales; (xxiii) debt levels and net debt; (xxiv) combined ratio; (xxv) timely launch of new facilities; (xxvi) client retention; (xxvii) employee retention; (xxviii) timely completion of new product rollouts; (xxix) cost targets; (xxx) reductions and savings; (xxxi) productivity and efficiencies; (xxxii) strategic partnerships or transactions; and (xxxiii) personal targets, goals or completion of projects.

Any one (1) or more of the performance criteria may be used on an absolute or relative basis to measure the performance of New Abpro and/or one or more affiliates as a whole or any business unit(s) of New Abpro and/or one or more affiliates or any combination thereof, as the Committee may deem appropriate, or any of the above performance criteria may be compared to the performance of a selected group of comparison or peer companies, or a published or special index that the Board, in its sole discretion, deems appropriate, or as compared to various stock market indices. The Committee also has the authority to provide for accelerated vesting of any award based on the achievement of performance goals pursuant to the performance criteria. Any performance criteria that are financial metrics, may be determined in accordance with GAAP or may be adjusted when established to include or exclude any items otherwise includable or excludable under GAAP.

Equitable Adjustments

In the event of (i) any dividend (other than ordinary cash dividends) or other distribution (whether in the form of cash, Common Stock, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, amalgamation, consolidation, spin-off, split-up, split-off, combination, repurchase or exchange of shares of Common Stock or other securities of New Abpro, issuance of warrants or other rights to acquire Common Stock or other securities of New Abpro, or other similar corporate transaction or event (including, without limitation, a change in control (as defined below)) that affects Common Stock, or (ii) unusual or infrequently occurring events (including, without limitation, a change in control) affecting New Abpro, any affiliate, or the financial statements of New Abpro or any affiliate, or changes in applicable rules, rulings, regulations or other requirements of any governmental body or securities exchange or inter-dealer quotation system, accounting principles or law, such that in either case an adjustment is determined by the Committee in its sole discretion to be necessary or appropriate to prevent the dilution or enlargement of the benefits intended to be made available under the New Abpro Incentive Plan, then the Committee shall make any such adjustments in such manner as it may deem equitable, including without limitation any or all of the following: (a) adjusting any or all of (A) the number of shares of Common Stock or other securities of New Abpro (or number and kind of other securities or other property) that may be delivered in respect of awards or with respect to which awards may be granted under the New Abpro Incentive Plan, and (B) the terms of any outstanding award, including, without limitation, (1) the number of shares of Common Stock or other securities of New Abpro (or number and kind of other securities or other property) subject to outstanding awards or to which outstanding awards relate, (2) the exercise price with respect to any award or (3) any applicable performance measures (including, without limitation, performance criteria and performance goals); (b) providing for a substitution or assumption of awards in a manner that substantially preserves the applicable terms of such awards; (c) accelerating the exercisability or vesting of, lapse of restrictions on, or termination of, awards or providing for a period of time for exercise prior to the occurrence of such event; (d) modifying the terms of awards to add events, conditions or circumstances (including termination of employment within a specified period after a change in control) upon which the exercisability or vesting of or lapse of restrictions thereon will accelerate; (e) deeming any performance measures (including, without limitation, performance criteria and performance goals) satisfied at target, maximum or actual performance through closing or such other level determined by the Committee in its sole discretion, or providing for the performance measures to continue (as is or as adjusted by the Committee) after closing; (f) providing that for a period prior to the change in control determined by the Committee in its sole discretion, any options or SARs that would not otherwise become exercisable prior to the change in control will be exercisable as to all shares of Common Stock subject thereto (but any such exercise will be contingent upon and subject to the occurrence of the change in control and if the change in control does not take place after giving such notice for any reason whatsoever, the exercise will be null and void) and that any options or SARs not exercised prior to the consummation of the change in control will terminate and be of no further force and effect as of the consummation of the change in control; and (g) canceling any one or more outstanding awards and causing to be paid to the holders thereof, in cash, Common Stock, other securities or other property, or any combination thereof, the value of such awards.

Change in Control

For purposes of the New Abpro Incentive Plan, a "change in control" means, in summary, the first to occur of any of the following events: (i) one person or group of persons becomes the beneficial owner, directly or indirectly, of more than 50% of the combined voting power of the then issued and outstanding securities of New Abpro, whether pursuant to a sale of securities, merger or otherwise, (ii) during any period of not more than two (2) consecutive years, individuals who constitute the Board as of the beginning of the period cease for any reason to constitute at least a majority of the Board or (iii) the consummation of a sale, transfer or other disposition of all or substantially all of the business and assets of New Abpro, whether by sale of assets, merger or otherwise (determined on a consolidated basis), to one person or group of persons.

Tax Withholding

Each participant will be required to make arrangements satisfactory to the Committee regarding payment of an amount up to the maximum statutory rates in the participant's applicable jurisdictions with respect to any award granted under the New Abpro Incentive Plan, as determined by New Abpro. New Abpro has the right, to the extent permitted by law, to deduct any such taxes from any payment of any kind otherwise due to the participant. With the approval of the Committee, the participant may satisfy the foregoing requirement by either electing to have New Abpro withhold from delivery of shares of Common Stock, cash or other property, as applicable, or by delivering already owned unrestricted shares of Common Stock, in each case, having a value not exceeding the applicable taxes to be withheld and applied to the tax obligations. New Abpro may also use any other method of obtaining the necessary payment or proceeds, as permitted by law, to satisfy its withholding obligation with respect to any award.

Amendment and Termination of the Plan

The New Abpro Incentive Plan provides the Board with authority to amend, alter or terminate the New Abpro Incentive Plan, but no such action may impair the rights of any participant with respect to outstanding awards without the participant's consent. The Committee may amend an award, prospectively or retroactively, but no such amendment may materially impair the rights of any participant without the participant's consent. Stockholder approval of any such action will be obtained if required to comply with applicable law.

Plan Term

The New Abpro Incentive Plan will terminate on November 7, 2034, although awards granted before that time will remain outstanding in accordance with their terms.

Following the consummation of the Business Combination, New Abpro intends to file with the SEC a registration statement on Form S-8 covering the shares of Common Stock issuable under the New Abpro Incentive Plan.

Material U.S. Federal Income Tax Consequences

The following is a general summary under current law of the principal United States federal income tax consequences related to awards under the New Abpro Incentive Plan. This summary deals with the general federal income tax principles that apply and is provided only for general information. Some kinds of taxes, such as state, local and foreign income taxes, and federal employment taxes, are not discussed. This summary is not intended as tax advice to participants, who should consult their own tax advisors.

Non-Qualified Stock Options. If an optionee is granted an NSO under the New Abpro Incentive Plan, the optionee should not have taxable income on the grant of the option. Generally, the optionee should recognize ordinary income at the time of exercise in an amount equal to the fair market value of the shares acquired on the date of exercise, less the exercise price paid for the shares. The optionee's basis in our common stock for purposes of determining gain or loss on a subsequent sale or disposition of such shares generally will be the fair market value of our common stock on the date the optionee exercises such option. Any subsequent gain or loss will be taxable as a long-term or short-term capital gain or loss. We or our subsidiaries or affiliates generally should be entitled to a federal income tax deduction at the time and for the same amount as the optionee recognizes ordinary income.

Incentive Stock Options. A participant receiving ISOs should not recognize taxable income upon grant or at the time of exercise. However, the excess of the fair market value of the shares of our common stock received over the option exercise price is an item of tax preference income potentially subject to the alternative minimum tax. If stock acquired upon exercise of an ISO is held for a minimum of two years from the date of grant and one year from the date of exercise and otherwise satisfies the ISO requirements, the gain or loss (in an amount equal to the difference between the fair market value on the date of disposition and the exercise price) upon disposition of the stock will be treated as a long-term capital gain or loss, and we will not be entitled to any deduction. If the holding period requirements are not met, the ISO will be treated as one that does not meet the requirements of the Code for ISOs and the participant will recognize ordinary income at the time of the disposition equal to the excess of the amount realized over the exercise price, but not more than the excess of the fair market value of the shares on the date the ISO is exercised over the exercise price, with any remaining gain or loss being treated as capital gain or capital loss. We and our subsidiaries or affiliates generally are not entitled to a federal income tax deduction upon either the exercise of an ISO or upon disposition of the shares acquired pursuant to such exercise, except to the extent that the participant recognizes ordinary income on disposition of the shares.

Other Awards. The current federal income tax consequences of other awards authorized under the New Abpro Incentive Plan generally follow certain basic patterns: SARs are taxed and deductible in substantially the same manner as NSOs; nontransferable restricted stock subject to a substantial risk of forfeiture results in income recognition equal to the excess of the fair market value over the price paid, if any, only at the time the restrictions lapse (unless the recipient elects to accelerate recognition as of the date of grant through a Section 83(b) election under the Code); RSUs, dividend equivalents and other stock or cash based awards are generally subject to tax at the time of (unless the recipient elects to accelerate recognition as of the date of grant through a Section 83(b) election under the Code); RSUs, dividend equivalents and other stock or cash based awards are generally subject to tax at the time of payment. We and our subsidiaries or affiliates generally should be entitled to a federal income tax deduction at the time and for the same amount as the optionee recognizes ordinary income.

Section 409A of the Code

Certain types of awards under the New Abpro Incentive Plan may constitute, or provide for, a deferral of compensation subject to Section 409A of the Code. Unless certain requirements set forth in Section 409A of the Code are complied with, holders of such awards may be taxed earlier than would otherwise be the case (e.g., at the time of vesting instead of the time of payment) and may be subject to an additional 20% penalty tax (and, potentially, certain interest, penalties and additional state taxes). To the extent applicable, the New Abpro Incentive Plan and awards granted under the New Abpro Incentive Plan are intended to be structured and interpreted in a manner intended to either comply with or be exempt from Section 409A of the Code and the Department of Treasury regulations and other interpretive guidance that may be issued under Section 409A of the Code. To the extent determined necessary or appropriate by the plan administrator, the New Abpro Incentive Plan and applicable award agreements may be amended to further comply with Section 409A of the Code or to exempt the applicable awards from Section 409A of the Code.

New Plan Benefits

The benefits or amounts that may be received or allocated to participants under the New Abpro Incentive Plan will be determined at the discretion of the plan administrator and are not currently determinable.

Form S-8

When permitted by SEC rules, we intend to file with the SEC a registration statement on Form S-8 covering the Common Stock of New Abpro issuable under the New Abpro Incentive Plan.

PRINCIPAL STOCKHOLDERS

The following table sets forth information regarding the beneficial ownership of shares of our Common Stock upon the completion of the Business Combination by:

- each person known by us to be the beneficial owner of more than 5% of New Abpro's Common Stock;
- each director of New Abpro
- each of our named executive officers; and
- each of our officers and directors as a group.

Beneficial ownership is determined according to the rules of the SEC, which generally provide that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power over that security, including options and warrants that are currently exercisable or exercisable within 60 days.

The beneficial ownership of Common Stock in the table below is based on 51,815,765 shares Common Stock issued and outstanding as of December 23, 2024, including 39,123,200 shares of Common Stock issued to the former shareholders of Abpro Corporation in the Business Combination as Merger Consideration, an aggregate of 3,367,401 shares of Common Stock issued in connection with the PIPE Offering, 1,282,852 shares of New Abpro Common Stock issued to the underwriters and vendors in connection with the Business Combination Closing, an aggregate of 1,200,601 shares issued in satisfaction of certain debt obligations of ACAB and Abpro Corporation, and reflects the valid redemption of 330,276 Public Shares. The issued and outstanding shares of Common Stock does not include 983,333 shares of Common Stock transferred by Sponsor to Abpro Corporation at closing and held as treasury stock, 10,872,400 shares that made up the Merger Consideration and are reserved for future issuance pursuant to rollover RSUs and options of Abpro Corporation and 6,240,773 shares of Common Stock reserved for future issuance under the New Abpro Incentive Plan. The below table excludes the Common Stock underlying the warrants and private warrants, because these securities are not exercisable until registered, which may or may not occur within sixty (60) days.

Unless otherwise indicated, New Abpro believes that all persons named in the table have sole voting and investment power with respect to all common shares beneficially owned by them. Unless otherwise noted, the business address of each of the following entities or individuals is 68 Cummings Park Drive, Woburn, MA 01801.

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned	% of Class
Directors and Named Executive Officers		
Ian Chan[(1)]	9,252,800	18.0%
Robert Markelewicz[(3)]	—	—
J. Wook (Miles) Suk[(4)]	85,600	*
Anthony D. Eisenberg	—	—
Soo Young Lee	—	—
Ian McDonald	—	—
All executive officers and directors as a group (6 individuals)	9,338,400	18.0%
Greater than Five Percent Holders:		
Abpro Bio International, Inc.[(5)]	16,507,334	31.9%
Ian Chan[(1)]	9,252,800	18.0%
Atlantic Coastal Acquisition Management II LLC[(2)]	3,482,268	6.7%

* Indicates less than 1%

(1) Excludes 3,440,600 shares of Common Stock issuable pursuant to rollover RSUs and options, which are not exercisable within 60 days of the date hereof.

(2) Atlantic Coastal Acquisition Management II LLC, or the Sponsor, is the record holder of the shares reported herein. Shahraab Ahmad is the manager and the majority owner of the Sponsor. Accordingly, Mr. Ahmad may be deemed to beneficially own all of the shares held by the Sponsor. Mr. Ahmad disclaims beneficial ownership of any securities held by the Sponsor except to the extent of his pecuniary interest therein. Excludes shares of Common Stock underlying 13,850,000 Placement Warrants held by the Sponsor.

(3) Excludes 760,500 shares of Common Stock issuable pursuant to rollover RSUs and options, which are not exercisable within 60 days of the date hereof.

(4) Excludes 619,800 shares of Common Stock issuable pursuant to rollover RSUs and options, which are not exercisable within 60 days of the date hereof.

(5) The business address for Abpro Bio International, Inc. is 139, Techno jungang-daero, Yuga-myeon, Dalseong-gun, Daegu, Republic of Korea. Abpro Bio International, Inc. is a subsidiary of Abpro Bio Co. Ltd, a publicly traded company listed on the KOSDAQ market of the Korea Exchange (KOSDAQ: 195990).

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Certain Relationships and Related Person Transactions—Abpro

Director and Executive Officer Compensation

Abpro has granted stock options to its directors and executive officers, as more fully described in the section "*Executive Compensation.*"

Abpro Bio International, Inc.

Abpro Bio International, Inc. ("Abpro Bio") owns approximately 33% of New Abpro.

Abpro Bio Collaboration Agreement

Abpro entered into a Collaboration and License Agreement (the "Abpro Bio Collaboration Agreement") in January 2020 with AbMed Corporation and Abpro Bio to develop and commercialize ABP-201 through a territorial partnership that granted Abpro Bio exclusive development and commercialization rights in the People's Republic of China, Japan, South Korea, Southeast Asia (which for the purposes hereof means Philippines, Indonesia, Taiwan, Pakistan, India, Vietnam, Laos, Cambodia, Thailand, Myanmar and West Malaysia), the Middle East (which for the purposes hereof means Bahrain, Cyprus, Egypt, Iraq, Israel, Jordan, Kuwait, Lebanon, Northern Cyprus, Oman, Palestine, Qatar, Saudi Arabia, Syria, Turkey, United Arab Emirates and Yemen), and the Commonwealth of Independent States (CIS) (which for the purposes hereof means Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan).

Abpro agreed to form a joint steering committee to oversee the collaboration that includes representatives from both Abpro and Abpro Bio. Abpro Bio agreed to use commercially reasonable efforts to develop and commercialize a licensed product, including the achievement of certain milestones by certain dates. Under the Collaboration Agreement, Abpro Bio agreed to pay Abpro a double-digit percentage royalty in the low teens, tiered based on cumulative net sales by Abpro Bio, its affiliates or sublicensees beginning with the first commercial sale of a licensed product in its territory. Abpro is also entitled to payments totaling approximately $540 million, subject to the satisfaction of certain development and sales milestones. Abpro is responsible for patent prosecution and Abpro Bio has agreed to reimburse Abpro for patent costs in its licensed territory. Unless earlier terminated in accordance with its terms, the agreement with Abpro Bio remains in effect on a country-by-country basis until the later of (i) the expiration of patent claims that cover the licensed product in a country, (ii) 10 years after the first commercial sale of a licensed product in a country, and (iii) the expiration of regulatory exclusivity for a licensed product in a country. Abpro may terminate the agreement upon the occurrence of specified bankruptcy events relating to Abpro Bio or if Abpro Bio is in material default or breach of the agreement and does not cure within a specified notice and cure period. Abpro Bio may also terminate the agreement upon ninety (90) days' written notice.

In connection with entering into the Abpro Bio Collaboration Agreement, Abpro Bio made a $30 million equity investment in Abpro.

Series E and Series F Preferred Stock Offerings

In 2020, Abpro issued and sold to Abpro Bio in a private placement an aggregate of 3,303,966, or 100%, of Abpro's Series E Redeemable Convertible Preferred Stock at a purchase price of $9.08 per share for an aggregate purchase price of approximately $30.0 million. Each share of Series E Redeemable Convertible Preferred Stock was automatically converted into one share of Common Stock upon closing of the Business Combination.

In 2022, Abpro issued and sold to Abpro Bio in a private placement an aggregate of 444,444, or 80%, of Abpro's Series F Redeemable Convertible Preferred Stock at a purchase price of $18.00 per share for an aggregate purchase price of approximately $8.0 million. Each share of Series F Redeemable Convertible Preferred Stock was automatically converted into one share of Common Stock upon closing of the Business Combination.

2023 Promissory Note

On October 18, 2023, Abpro issued a Promissory Note for the benefit of Abpro Bio in the principal amount of up to $6 million for expenses incurred in connection with the Business Combination and for Abpro operating expenses. Amounts borrowed under the Promissory Note plus accrued interest are due and payable on the earlier of (i) the closing of the Business Combination and (ii) April 18, 2025. The Promissory Note accrues interest at 5% per annum until the maturity date and 7% thereafter. At the Closing in connection with the PIPE Offering, the outstanding $4.2 million on the Promissory Note was cancelled, and Abpro Bio invested an addition $2.0 million in cash, resulting in a total of 1,867,401 shares of Common Stock being issued to Abpro Bio (including Incentive Shares).

Related Party Promissory Notes

On December 29, 2023, Abpro issued a Promissory Note for the benefit of Ian Chan in the principal amount of $176,625. Amounts borrowed under the Promissory Note plus accrued interest were due and payable on the earlier of (i) the closing of the Business Combination and (ii) June 29, 2025. The Promissory Note accrues interest at 5% per annum until the maturity date and 7% thereafter.

On December 29, 2023, Abpro issued a Promissory Note for the benefit of Eugene Chan in the principal amount of $123,638. Amounts borrowed under the Promissory Note plus accrued interest were due and payable on the earlier of (i) the closing of the Business Combination and (ii) June 29, 2025. The Promissory Note accrues interest at 5% per annum until the maturity date and 7% thereafter.

Consulting Agreement

On January 1, 2023, Abpro entered into a consulting agreement with NEM LLC, whose sole member is Eugene Chan, Abpro's Chairman. The Consulting Agreement provides for annual payment of $250,000 paid monthly, and a possible performance bonus of up to 50%. The Consulting Agreement has a term of twelve (12) months, and automatically renews for additional 12-month terms thereafter unless cancelled by either party. Either party may terminate the agreement with sixty (60) days' notice to the other party.

Promissory Note Agreement with Executive

On April 18, 2024, the Company entered into a promissory note agreement with one of its executives to receive up to $1,795,000 in funding. Between April and the Closing, the Company received the $1,998,000 in advances from the executive, as of the date of this filing. These advances accrue interest at 7.5% per annum through the maturity date and at 9.5% per annum after the maturity date if any amounts then remain outstanding. All advances, plus accrued interest, were due and payable on the earlier of (i) the closing of the Business Combination and (ii) November 19, 2024. This promissory note agreement included early repayment provisions which state that if in any calendar month prior to the closing of the Business Combination, the Company receives capital or cash flows from another party, then the executive will be paid 10% of such proceeds prior to any other obligations that the Company may have until the principal and interest have been repaid. At the closing of the Business Combination, the Company issued 600,000 shares of Common Stock to Ian Chan in satisfaction of the promissory note. Pursuant to the terms of the promissory note, Abpro Corporation agreed to cause to be issued to Ian Chan a number of New Abpro stock options or warrants in an amount equal to the outstanding principal amount of such promissory note, subject to required approval by the New Abpro Board of Directors and Compensation Committee and registration of such securities on Form S-8.

Promissory Note for Bridge Loan with Shahraab Ahmad, Chief Executive Officer of ACAB

On August 16, 2024, Abpro issued a Promissory Note to Shahraab Ahmad, Chief Executive Officer of ACAB, pursuant to which Abpro received a bridge loan in the principal amount of $103,000 from Mr. Ahmad (the "Bridge Loan"). The Bridge Loan matures on the earlier of (i) November 20, 2024 and (ii) the successful closing of the de-SPAC transaction contemplated by the Business Combination Agreement (the "Ahmad Note Maturity Date"). On the Ahmad Note Maturity Date, the sum of $206,000, including $103,000 principal, will be payable by Abpro to Mr. Ahmad. On the Closing Date, the Bridge Loan was cancelled and replaced with a promissory note to ACAB providing for the payment of $103,000 principal on the Closing Date.

Director and Officer Indemnification

Abpro's charter and bylaws provide for indemnification and advancement of expenses for its directors and officers to the fullest extent permitted by the DGCL, subject to certain limited exceptions. Abpro entered into indemnification agreements with certain of the members of its board of directors. In connection with the Closing, New Abpro entered into new indemnification agreements for each director and officer of New Abpro, the form of which is filed as Exhibit 10.8 hereto, and incorporated herein by reference.

Certain Relationships and Related Person Transactions—ACAB

Founder Shares

In October 2021, the Sponsor purchased 7,187,500 Founder Shares for an aggregate purchase price of $25,000, or approximately $0.0035 per share. Due to the underwriters' election to partially exercise their overallotment option, 3,750 shares were forfeited. In October 2021, the Sponsor transferred 50,000 Founder Shares to each of Ms. Lord, Mr. Kahlon, Mr. Stanwood, Mr. Dove and Mr. Schiano, ACAB's independent directors. The number of Founder Shares issued was determined based on the expectation that such Founder Shares would represent approximately 20% of the outstanding shares upon completion of the ACAB IPO. On January 13, 2022, ACAB effectuated a 1.044-for-1 stock split, resulting in an aggregate of 7,503,750 founder shares outstanding and held by the Initial Stockholders.

On April 18, 2023, the Sponsor, ACAB's independent directors, and Apeiron Investment Group Ltd (collectively, the "Series B Holders") voluntarily converted 7,499,999 shares of Series B common stock of ACAB they held as of such date into 7,499,999 shares of Series A common stock of the Company (the "Conversion") in accordance with the charter amendment. With respect to shares of Series A common stock that they received as result of the Conversion, the Series B Holders (i) agreed that they would not vote such stock until after the closing of a business combination and (ii) acknowledged that such stock would not be entitled to any distribution from ACAB's trust account. On December 15, 2023, ACAB held a special meeting of stockholders to approve a charter amendment proposal to further extend the date by which ACAB must consummate a business combination to September 19, 2024 (subject to additional approval by the ACAB Board (as defined below)). On December 13, 2023, holders of an aggregate of 2,768,301 shares of Series A common stock exercised, and did not reverse, their right to redeem their shares, and as a result, such holders received a payment of approximately $10.68 per share redeemed. On September 19, 2024, at a special meeting of the stockholders, the stockholders approved a proposal to amend ACAB's Certificate of Incorporation to extend the date by which ACAB must complete its initial business combination from September 19, 2024 to October 19, 2024 and to allow ACAB, without another stockholder vote, to elect to extend the October 19, 2024 termination date by resolution of ACAB's board of directors, if requested by the Sponsor, until November 19, 2024, unless the Closing shall have occurred prior thereto.

On September 19, 2024, holders of an aggregate of 126,122 shares of Series A common stock exercised, and did not reverse, their right to redeem their shares, and as a result, such holders received a payment of approximately $11.29 per share redeemed. As a result of the conversion and the results of the stockholder meetings described above, ACAB has an aggregate of 8,041,268 shares of Series A common stock outstanding and one (1) share of Series B common stock (held by the Sponsor) outstanding prior to the Business Combination.

Private Placement Warrants

The Sponsor purchased an aggregate of 13,850,000 Placement Warrants at a price of $1.00 per warrant ($13,850,000 in the aggregate) in a private placement that occurred simultaneously with the closing of the ACAB IPO. Each Placement Warrant entitled the holder thereof to purchase one share of ACAB's Series A common stock at a price of $11.50 per share. The Placement Warrants (including the Series A common stock issuable upon exercise thereof) may not, subject to certain limited exceptions, be transferred, assigned or sold by the holder.

Registration Rights

The holders of Founder Shares, Placement Warrants and any units the Sponsor or our officers, directors or their affiliates may be issued in payment of working capital loans made to us (and all underlying securities), are entitled to registration rights pursuant to a Registration Rights Agreement dated January 13, 2022, by and among ACAB, the Sponsor and certain other securityholders of ACAB. The holders of a majority of these securities are entitled to make up to three demands that we register such securities. The holders of a majority of the units issued in payment of working capital loans made to us (or underlying securities) can elect to exercise these registration rights at any time after we consummate a business combination. In addition, the holders have certain "piggy-back" registration rights with respect to registration statements filed subsequent to our consummation of a business combination. We will bear the expenses incurred in connection with the filing of any such registration statements.

Director and Officer Reimbursement

No compensation of any kind, including any finder's fee, reimbursement, consulting fee or monies in respect of any payment of a loan, was paid by ACAB to the Sponsor, officers and directors, or any of their respective affiliates, prior to, or in connection with any services rendered in order to effectuate, the consummation of the Business Combination, other than the repayment of any loans from the Sponsor, officers and directors for working capital purposes and reimbursement of any out-of-pocket expenses incurred in connection with activities on ACAB's behalf such as identifying potential target businesses and performing due diligence on suitable business combinations. ACAB did not have a policy that prohibited the Sponsor, executive officers or directors, or any of their respective affiliates, from negotiating for the reimbursement of out-of-pocket expenses by a target business. ACAB's audit committee reviewed on a quarterly basis all payments that were made to the Sponsor, officers, directors or ACAB or their respective affiliates and determined which expenses and the amount of expenses that would be reimbursed. There was no cap or ceiling on the reimbursement of out-of-pocket expenses incurred by such persons in connection with activities on ACAB's behalf.

Related Party Notes

In October 2021, the Sponsor agreed to loan ACAB an aggregate of up to $250,000 to cover expenses related to the ACAB IPO pursuant to a promissory note (the "2021 Note"). The 2021 Note was non-interest bearing and payable upon the completion of the ACAB IPO. The outstanding borrowings under the 2021 Note in the amount of $149,539 were repaid on February 22, 2022.

On October 14, 2023 and November 14, 2023, ACAB issued unsecured promissory notes (the "Extension Promissory Notes") to the Sponsor in the aggregate principal amounts of $80,000 and $80,000, respectively, in connection with monthly extensions of the deadline to consummate an initial business combination. These loans were consolidated under the Expense Advance Agreement described below and repaid in connection with the Business Combination.

Expense Advance Agreement

On May 30, 2024, ACAB and the Sponsor entered into an expense advancement agreement (the "Expense Advancement Agreement"), pursuant to which the Sponsor agreed to advance to ACAB up to $600,000 in the aggregate, including previous amounts advanced from the Sponsor to ACAB, on an interest-free basis as may be necessary to cover working capital expenses, fund certain redemptions of the ACAB's common stock and cover costs and expenses in connection with the consummation of ACAB's proposed business combination. This agreement replaced the previous Extension Promissory Notes in the aggregate amount of $160,000.

As of September 30, 2024 and December 31, 2023, the Sponsor advanced to ACAB $2,270,051 and $1,655,000, respectively. The advances from the Sponsor due not accrue interest. At the Business Combination date, $2,000,000 of advances were converted into 600,601 shares of Common Stock of New Abpro and the remaining balance was repaid.

Promissory Note Issued to Shahraab Ahmad, CEO of ACAB

For more information about the Ahmad Promissory Note, see the subsection entitled "*Certain Relationships and Related Party Transactions — Certain Relationships and Related Person Transactions — Abpro — Promissory Note for Bridge Loan with Shahraab Ahmad, Chief Executive Officer of ACAB.*"

Sponsor Letter Agreement

In connection with the execution of the Business Combination Agreement, the Sponsor entered into an agreement with ACAB, the Company and Abpro Bio International, Inc. (the "Sponsor Letter Agreement"), whereby the Sponsor agreed to (i) retain 2.95 million shares of ACAB Series A common stock held by it, (ii) divide 2,458,333 shares of ACAB Series A common stock held by it among the Sponsor, who will be entitled to 491,667 of the shares, Abpro, who will be entitled to 983,333 of the shares, and Abpro Bio who will be entitled to 983,333 of the shares, for such party to use to obtain non-redemption commitments from ACAB stockholders or other capital for ACAB or the surviving company (with any shares unused for such purpose to be retained by such party) and (iii) forfeit the remainder of any ACAB Series A common stock and ACAB Series B common stock held by it. At Closing, the Sponsor forfeited 966,442 shares of Common Stock pursuant to the Sponsor Letter Agreement.

Deferred Underwriting Fee

On January 8, 2024, ACAB and Cantor entered into the Fee Reduction Agreement, pursuant to which Cantor has agreed to settle $10,290,000 of the deferred underwriting fees payable, resulting in a remainder of $6,000,000 of deferred underwriting fees payable (the "Reduced Deferred Fee") by the Company to Cantor upon the Closing. The Reduced Deferred Fee was paid at Closing to Cantor in the form of 600,000 shares of Common Stock. The Fee Reduction Agreement only applied to the consummation of the Business Combination with Abpro.

Polar Subscription Agreement

On April 10, 2024, ACAB, Polar Multi-Strategy Master Fund ("Polar"), and the Sponsor entered into a subscription agreement (the "Polar Subscription Agreement") pursuant to which Polar agreed to provide a capital contribution to the Sponsor in an aggregate amount of up to $360,000 (the "Capital Contribution") in exchange for 1 share of ACAB's Series A common stock held by the Sponsor for each $1 invested by Polar as of the closing of ACAB's initial business combination, provided that the obligation to make capital contributions would terminate on November 19, 2024 (the date by which ACAB must consummate its initial business combination). Funds invested by Polar pursuant to the Polar Subscription Agreement would in turn will be loaned by the Sponsor to ACAB on an interest-free basis (the "SPAC Loan") in order to fund ACAB's working capital needs and other expenses in connection with the Business Combination. As of June 30, 2024, Polar funded $345,051 of the Capital Contribution to the Sponsor.

Upon the consummation of the Business Combination, ACAB paid to the Sponsor the principal amount outstanding under the SPAC Loan. In addition, Polar received from the Sponsor 360,000 shares of Common Stock, an amount equal to the Capital Contribution, which represented 1 share of Common Stock for each $10 invested by Polar as of the Closing Date.

Other Material Interests Relating to the Business Combination

ACAB's directors and officers will be eligible for continued indemnification and continued coverage under ACAB's directors' and officers' liability insurance for six years after the Closing Date pursuant to the Business Combination Agreement.

Procedures with Respect to Review and Approval of Related Person Transactions

Our Code of Business Conduct and Ethics requires us to avoid, wherever possible, all related party transactions that could result in actual or potential conflicts of interests, except under guidelines approved by the Board (or the audit committee). Related-party transactions are defined as transactions in which (1) the aggregate amount involved will or may be expected to exceed $120,000 in any calendar year, (2) we or any of our subsidiaries is a participant, and (3) any (a) executive officer, director or nominee for election as a director, (b) greater than 5% beneficial owner of our shares of common stock, or (c) immediate family member of the persons referred to in clauses (a) and (b), has or will have a direct or indirect material interest (other than solely as a result of being a director or a less than 10% beneficial owner of another entity). A conflict of interest situation can arise when a person takes actions or has interests that may make it difficult to perform his or her work objectively and effectively. Conflicts of interest may also arise if a person, or a member of his or her family, receives improper personal benefits as a result of his or her position.

Our audit committee, pursuant to its written charter, is responsible for reviewing and approving related-party transactions to the extent we enter into such transactions. The audit committee will consider all relevant factors when determining whether to approve a related party transaction, including whether the related party transaction is on terms no less favorable to us than terms generally available from an unaffiliated third-party under the same or similar circumstances and the extent of the related party's interest in the transaction. No director may participate in the approval of any transaction in which he is a related party, but that director is required to provide the audit committee with all material information concerning the transaction. We also require each of our directors and executive officers to complete a directors' and officers' questionnaire that elicits information about related party transactions.

These procedures are intended to determine whether any such related party transaction impairs the independence of a director or presents a conflict of interest on the part of a director, employee or officer.

To further minimize conflicts of interest, we have agreed not to consummate an initial business combination with an entity that is affiliated with any of the Sponsor or our officers or directors including (i) an entity that is either a portfolio company of, or has otherwise received a material financial investment from, any private equity fund or investment company (or an affiliate thereof) that is affiliated with any of the foregoing, (ii) an entity in which any of the foregoing or their affiliates are currently passive investors, (iii) an entity in which any of the foregoing or their affiliates are currently officers or directors, or (iv) an entity in which any of the foregoing or their affiliates are currently invested through an investment vehicle controlled by them, unless we have obtained an opinion from an independent investment banking firm, or another independent entity that commonly renders valuation opinions on the type of target business we are seeking to acquire, and the approval of a majority of our disinterested independent directors that the business combination is fair to our unaffiliated stockholders from a financial point of view. Furthermore, no finder's fees, reimbursements, consulting fee, monies in respect of any payment of a loan or other compensation will be paid by us to the Sponsor, our officers or directors, or any of their respective affiliates, for services rendered to us prior to, or in connection with any services rendered in order to effectuate, the consummation of our initial business combination (regardless of the type of transaction that it is), other than the repayment of any loans from the Sponsor, officers and directors for working capital purposes and reimbursement of any out-of-pocket expenses incurred in connection with activities on our behalf such as identifying potential target businesses and performing due diligence on suitable business combinations.

DESCRIPTION OF CAPITAL STOCK

The following summary is not intended to be a complete summary of the rights and preferences of such securities, and is qualified by reference to the Charter and Bylaws, copies of which are filed as exhibits to the registration statement of which this prospectus forms a part. We urge you to read the Charter and Bylaws in their entirety for a complete description of the rights and preferences of our securities following the consummation of the Business Combination.

Authorized Capitalization

New Abpro's authorized capital stock consists of 110,000,000 shares of common stock, par value $0.0001 per share, and 1,000,000 shares of preferred stock, par value $0.0001 per share. As of the date of this prospectus, there are 51,815,765 shares of Common Stock issued and outstanding. No shares of preferred stock are issued and outstanding. Unless the Board determines otherwise, New Abpro will issue all shares of its capital stock in uncertificated form.

Common Stock

Voting rights. Holders of shares of Common Stock are entitled to one (1) vote for each share of common stock held as of the record date on all matters submitted to a vote of stockholders, provided, however, that, except as otherwise required in the Charter or by applicable law, the holders of Common Stock will not be entitled to vote on any amendment to our Charter that relates solely to the terms of one or more outstanding series of preferred stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to our Charter (including any certificate of designation relating to any series of preferred stock) or pursuant to the DGCL.

Dividend rights. Subject to applicable law and the rights and preferences of the holders of any outstanding series of New Abpro preferred stock, and to the other provisions of the Charter, the holders of Common Stock shall be entitled to the payment of dividends on the common stock in cash, in property or in shares of New Abpro when, as and if declared thereon by the Board from time to time out of assets or funds of New Abpro legally available therefor.

Rights upon liquidation. Subject to the rights of holders of preferred stock, upon New Abpro's liquidation, dissolution or winding up and after payment in full of all amounts required to be paid to creditors and to any future holders of preferred stock having liquidation preferences, if any, the holders of Common Stock will be entitled to receive pro rata New Abpro's remaining assets available for distribution.

Post-Combination Company Preferred Stock

Under the terms of the Charter, the Board is authorized to direct us to issue shares of preferred stock in one or more series without stockholder approval. The Board has the discretion to determine the rights, powers, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, of each series of preferred stock.

The purpose of authorizing the Board to issue preferred stock and determine its rights and preferences is to eliminate delays associated with a stockholder vote on specific issuances. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions, future financings and other corporate purposes, could have the effect of making it more difficult for a third party to acquire, or could discourage a third party from seeking to acquire, a majority of the outstanding voting stock. Additionally, the issuance of preferred stock may adversely affect the holders of common stock by restricting dividends on the common stock, diluting the voting power of the common stock or subordinating the liquidation rights of the common stock. As a result of these or other factors, the issuance of preferred stock could have an adverse impact on the market price of the Common Stock.

Warrants

Public Warrants

There is currently outstanding an aggregate of 15,000,000 Public Warrants, which entitle the holder to acquire Common Stock. Each whole warrant will entitle the registered holder to purchase one share of Common Stock at an exercise price of $11.50 per share. A holder may exercise its warrants only for a whole number of shares of Common Stock. This means only a whole warrant may be exercised at a given time by a warrant holder. The warrants will expire at 5:00 p.m., New York City time, on the earlier to occur of five (5) years after the completion of the Business Combination or redemption.

New Abpro will not be obligated to deliver any shares of Common Stock pursuant to the exercise of a Public Warrant and will have no obligation to settle such warrant exercise unless a registration statement under the Securities Act covering the issuance of the shares of Common Stock issuable upon exercise of the Public Warrants is then effective and a current prospectus relating thereto is available, subject to New Abpro satisfying its obligations described below with respect to registration, or a valid exemption from registration is available, including in connection with a cashless exercise. No Public Warrant will be exercisable for cash or on a cashless basis, and New Abpro will not be obligated to issue any shares to holders seeking to exercise their warrants, unless the issuance of the shares upon such exercise is registered or qualified under the securities laws of the state of the exercising holder, or an exemption from registration is available. In the event that the conditions in the two immediately preceding sentences are not satisfied with respect to a Public Warrant, the holder of such warrant will not be entitled to exercise such warrant and such warrant may have no value and expire worthless.

As soon as practicable, but in no event later than twenty (20) business days after the Closing, New Abpro will use its commercially reasonable efforts to file with the SEC a registration statement covering the issuance, under the Securities Act, of the shares of Common Stock issuable upon exercise of the Public Warrants, and will use commercially reasonable efforts to cause the same to become effective within sixty (60) business days after the Closing and to maintain the effectiveness of such registration statement, and a current prospectus relating thereto, until the expiration of the Public Warrants in accordance with the provisions of the Warrant Agreement. Notwithstanding the above, if shares of Common Stock are, at the time of any exercise of a Public Warrant, not listed on a national securities exchange such that they satisfy the definition of a "covered security" under Section 18(b)(1) of the Securities Act, New Abpro 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 New Abpro so elects, it will not be required to file or maintain in effect a registration statement, but will use its commercially reasonable efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available. In such event, each holder would pay the exercise price by surrendering the Public Warrants for that number of shares of Common Stock equal to the quotient obtained by dividing (x) the product of the number of shares of Common Stock underlying the Public Warrants, multiplied by the excess of the "fair market value" (defined below) less the exercise price of the Public Warrants by (y) the fair market value. The "fair market value" means the volume weighted average price of the shares of Common Stock for the 10 trading days ending on the trading day prior to the date on which the notice of exercise is received by the warrant agent.

Redemption of Public Warrants

Once the warrants become exercisable, New Abpro may redeem the outstanding warrants (except as described herein with respect to the Placement Warrants):

- in whole and not in part;
- at a price of $0.01 per warrant;
- upon not less than 30 days' prior written notice of redemption (the "30-day redemption period") to each warrant holder; and
- if, and only if, the last reported sale price of the Common Stock equals or exceeds $18.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within a 30-trading day period ending three business days before New Abpro sends the notice of redemption to the warrant holders.

New Abpro will not redeem the Public Warrants as described above unless a registration statement under the Securities Act covering the issuance of the shares of Common Stock issuable upon exercise of the Public Warrants is then effective and a current prospectus relating to those shares of Common Stock is available throughout the 30-day redemption period. If and when the Public Warrants become redeemable, New Abpro may exercise its redemption right even if it is unable to register or qualify the underlying securities for sale under all applicable state securities laws.

The redemption criterion discussed above was established to prevent a redemption call unless there is at the time of the call a significant premium to the Public Warrant exercise price. If the foregoing conditions are satisfied and New Abpro issues a notice of redemption of the Public Warrants, each warrant holder will be entitled to exercise his, her or its warrant prior to the scheduled redemption date. However, the price of shares of New Abpro common stock may fall below the $18.00 redemption trigger price (as adjusted for stock splits, stock capitalizations, reorganizations, recapitalizations and the like) as well as the $11.50 Public Warrant exercise price after the redemption notice is issued.

If New Abpro calls the Public Warrants for redemption as described above, its management will have the option to require any holder that wishes to exercise its Public Warrant to do so on a "cashless basis." In determining whether to require all holders to exercise their warrants on a "cashless basis," New Abpro's management will consider, among other factors, New Abpro's cash position, the number of warrants that are outstanding and the dilutive effect on New Abpro's stockholders of issuing the maximum number of shares of P Common Stock issuable upon the exercise of its Public Warrants. If New Abpro's management takes advantage of this option, all holders of Public Warrants would pay the exercise price by surrendering their warrants for that number of shares of Common Stock equal to the quotient obtained by dividing (x) the product of the number of shares of Common Stock underlying the Public Warrants, multiplied by the excess of the "fair market value" of Common Stock over the exercise price of the Public Warrants by (y) the fair market value. The "fair market value" will mean the average last reported sale price of shares of Common Stock for the ten trading days ending on the third trading day prior to the date on which the notice of redemption is sent to the holders of warrants. If New Abpro's management takes advantage of this option, the notice of redemption will contain the information necessary to calculate the number of shares of Common Stock to be received upon exercise of the Public Warrants, including the "fair market value" in such case. Requiring a cashless exercise in this manner will reduce the number of shares to be issued and thereby lessen the dilutive effect of a warrant redemption. If New Abpro calls the Public Warrants for redemption and management does not take advantage of this option, the Sponsor and its permitted transferees would still be entitled to exercise their Placement Warrants for cash or on a cashless basis using the same formula described above that other warrant holders would have been required to use had all warrant holders been required to exercise their warrants on a cashless basis, as described in more detail below.

A holder of a warrant may notify New Abpro in writing in the event it elects to be subject to a requirement that such holder will not have the right to exercise such warrant, to the extent that after giving effect to such exercise, such person (together with such person's affiliates), to the warrant agent's actual knowledge, would beneficially own in excess of 9.8% (or such other amount as a holder may specify) of Common Stock outstanding immediately after giving effect to such exercise.

Anti-Dilution Adjustments

If the number of outstanding shares of Common Stock is increased by a share capitalization payable in shares of Common Stock, or by a split-up of common stock or other similar event, then, on the effective date of such share capitalization, split-up or similar event, the number of shares of Common Stock issuable on exercise of each warrant will be increased in proportion to such increase in the outstanding shares of common stock. A rights offering to holders of common stock entitling holders to purchase Common Stock at a price less than the fair market value will be deemed a share capitalization of a number of shares of Common Stock equal to the product of (i) the number of shares of Common Stock actually sold in such rights offering (or issuable under any other equity securities sold in such rights offering that are convertible into or exercisable for Common Stock) and (ii) the quotient of (x) the price per share of Common Stock paid in such rights offering and (y) the fair market value. For these purposes (i) if the rights offering is for securities convertible into or exercisable for shares of Common Stock, in determining the price payable for Common Stock, there will be taken into account any consideration received for such rights, as well as any additional amount payable upon exercise or conversion and (ii) fair market value means the VWAP of shares of Common Stock as reported during the ten (10) trading day period ending on the trading day prior to the first date on which New Abpro common stock trades on the applicable exchange or in the applicable market, regular way, without the right to receive such rights.

In addition, if New Abpro, at any time while the warrants are outstanding and unexpired, pays a dividend or makes a distribution in cash, securities or other assets to the holders of Common Stock on account of such Common Stock (or other securities into which the warrants are convertible), other than (a) as described above, or (b) certain ordinary cash dividends.

If the number of outstanding shares of Common Stock is decreased by a consolidation, combination, reverse share split or reclassification of Common Stock or other similar event, then, on the effective date of such consolidation, combination, reverse share split, reclassification or similar event, the number of shares of Common Stock issuable on exercise of each warrant will be decreased in proportion to such decrease in outstanding share of Common Stock.

Whenever the number of shares of Common Stock purchasable upon the exercise of the warrants is adjusted, as described above, the warrant exercise price will be adjusted by multiplying the warrant exercise price immediately prior to such adjustment by a fraction (x) the numerator of which will be the number of shares of Common Stock purchasable upon the exercise of the warrants immediately prior to such adjustment, and (y) the denominator of which will be the number of shares of Common Stock so purchasable immediately thereafter.

In the case of any reclassification or reorganization of the outstanding Common Stock (other than those described above or that solely affects the par value of such Common Stock), or in the case of any merger or consolidation of New Abpro with or into another corporation (other than a consolidation or merger in which New Abpro is the continuing corporation and that does not result in any reclassification or reorganization of the outstanding Common Stock), or in the case of any sale or conveyance to another corporation or entity of the assets or other property of New Abpro as an entirety or substantially as an entirety in connection with which New Abpro is dissolved, the holders of the warrants will thereafter have the right to purchase and receive, upon the basis and upon the terms and conditions specified in the warrants and in lieu of Common Stock immediately theretofore purchasable and receivable upon the exercise of the rights represented thereby, the kind and amount of shares of Common Stock or other securities or property (including cash) receivable upon such reclassification, reorganization, merger or consolidation, or upon a dissolution following any such sale or transfer, that the holder of the warrants would have received if such holder had exercised their warrants immediately prior to such event. If less than 70% of the consideration receivable by the holders of Common Stock in such a transaction is payable in the form of Common Stock in the successor entity that is listed for trading on a national securities exchange or is quoted in an established over-the-counter market, or is to be so listed for trading or quoted immediately following such event, and if the registered holder of the warrant properly exercises the warrant within thirty days following public disclosure of such transaction, the warrant exercise price will be reduced as specified in the warrant agreement based on the Black-Scholes value (as defined in the warrant agreement) of the warrant. The purpose of such exercise price reduction is to provide additional value to holders of the warrants when an extraordinary transaction occurs during the exercise period of the warrants pursuant to which the holders of the warrants otherwise do not receive the full potential value of the warrants in order to determine and realize the option value component of the warrant. This formula is to compensate the warrant holder for the loss of the option value portion of the warrant due to the requirement that the warrant holder exercise the warrant within 30 days of the event. The Black-Scholes model is an accepted pricing model for estimating fair market value where no quoted market price for an instrument is available.

The warrants will be issued in registered form under a warrant agreement between Continental Stock Transfer & Trust Company, as warrant agent, and New Abpro. The warrant agreement provides that the terms of the warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision, and that all other modifications or amendments will require the vote or written consent of the holders of at least 50% of the then outstanding Public Warrants, and, solely with respect to any amendment to the terms of the Placement Warrants, a majority of the then outstanding Placement Warrants. You should review a copy of the warrant agreement, which is filed as an exhibit to the registration statement pertaining to our initial public offering, for a complete description of the terms and conditions applicable to the warrants.

The warrant holders do not have the rights or privileges of holders of common stock and any voting rights until they exercise their warrants and receive Common Stock. After the issuance of Common Stock upon exercise of the warrants, each holder will be entitled to one vote for each share held of record on all matters to be voted on by stockholders.

No fractional shares will be issued upon exercise of the warrants. If, upon exercise of the warrants, a holder would be entitled to receive a fractional interest in a share, New Abpro will, upon exercise, round down to the nearest whole number the number of shares of Common Stock to be issued to the warrant holder.

Private Placement Warrants

There are currently 13,850,000 Placement Warrants outstanding. The Placement Warrants (including the shares of Common Stock issuable upon exercise of the Placement Warrants) will not be transferable, assignable or salable until thirty (30) days after the Closing (except in limited circumstances) and they will not be redeemable by New Abpro so long as they are held by the Sponsor or its permitted transferees. The founders, or their permitted transferees, have the option to exercise the Placement Warrants for cash or on a cashless basis. Otherwise, the Placement Warrants have terms and provisions that are identical to the Public Warrants. If the Placement Warrants are held by holders other than the Sponsor or its permitted transferees, the Placement Warrants will be redeemable by New Abpro in all redemption scenarios and exercisable by the holders on the same basis as the Public Warrants.

If holders of the Placement Warrants elect to exercise them on a cashless basis, they would pay the exercise price by surrendering his, her or its warrants for that number of shares of Common Stock equal to the quotient obtained by dividing (x) the product of the number of shares of Common Stock underlying the Placement Warrants, multiplied by the excess of the "fair market value" (defined below) less the exercise price of the Placement Warrants by (y) the fair market value. For these purposes, the "fair market value" shall mean the average last reported sale price of the shares of Common Stock for the ten (10) trading days ending on the third trading day prior to the date on which the notice of warrant exercise is sent to the warrant agent. Even during such periods of time when insiders will be permitted to sell Post-Combination Company securities, an insider cannot trade in Post-Combination Company securities if he or she is in possession of material non-public information. Accordingly, unlike public stockholders who could exercise their Public Warrants and sell the shares of Common Stock received upon such exercise freely in the open market in order to recoup the cost of such exercise, the insiders could be significantly restricted from selling such securities.

Anti-Takeover Provisions of the Charter and the Bylaws

The Charter and the Bylaws contain provisions that may delay, defer or discourage another party from acquiring control of us. We expect that these provisions, which are summarized below, will discourage coercive takeover practices or inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with the Board, which may result in an improvement of the terms of any such acquisition in favor of the stockholders. However, they also give the Board the power to discourage acquisitions that some stockholders may favor.

Authorized but Unissued Shares

The authorized but unissued shares of Common Stock and preferred stock are available for future issuance without stockholder approval, subject to any limitations imposed by the listing standards of Nasdaq. These additional shares may be used for a variety of corporate finance transactions, acquisitions and employee benefit plans. The existence of authorized but unissued and unreserved common stock and preferred stock could make more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger or otherwise.

Classified Board of Directors

The Charter provides that the Board will be divided into three classes of directors, with the classes to be as nearly equal in number as possible, and with each director serving a three-year term. As a result, approximately one-half of the Board will be elected each year. The classification of directors will have the effect of making it more difficult for stockholders to change the composition of the Board.

Stockholder Action; Special Meetings of Stockholders

The Charter will provide that stockholders may not take action by written consent, but may only take action at annual or special meetings of stockholders. As a result, a holder controlling a majority of New Abpro capital stock would not be able to amend New Abpro's bylaws or remove directors without holding a meeting of stockholders called in accordance with New Abpro's bylaws. Further, the Bylaws will provide that only the chairperson of the Board, a majority of the Board or the Chief Executive Officer of New Abpro may call special meetings of stockholders, thus prohibiting a stockholder from calling a special meeting. These provisions might delay the ability of stockholders to force consideration of a proposal or for stockholders controlling a majority of New Abpro capital stock to take any action, including the removal of directors.

Advance Notice Requirements for Stockholder Proposals and Director Nominations

In addition, the Bylaws will establish an advance notice procedure for stockholder proposals to be brought before an annual meeting or special meeting of stockholders. Generally, in order for any matter to be "properly brought" before a meeting, the matter must be (a) specified in a notice of meeting given by or at the direction of the Board, (b) if not specified in a notice of meeting, otherwise brought before the meeting by the Board or the chairperson of the meeting, or (c) otherwise properly brought before the meeting by a stockholder present in person who (1) was a stockholder at the time of giving the notice, (2) is entitled to vote at the meeting, and (3) has complied with the advance notice procedures specified in New Abpro's bylaws or properly made such proposal in accordance with Rule 14a-8 under the Exchange Act and the rules and regulations thereunder, which proposal has been included in the proxy statement for the annual meeting. Further, for business to be properly brought before an annual meeting by a stockholder, the stockholder must (a) provide Timely Notice (as defined below) thereof in writing and in proper form to the secretary and (b) provide any updates or supplements to such notice at the times and in the forms required by the Bylaws. To be timely, a stockholder's notice must be delivered to, or mailed and received at, New Abpro's principal executive offices not less than ninety (90) days nor more than one hundred twenty (120) days prior to the one-year anniversary of the preceding year's annual meeting; *provided, however*, that if the date of the annual meeting is more than thirty (30) days before or more than sixty (60) days after such anniversary date, notice by the stockholder to be timely must be so delivered, or mailed and received, not later than the 90th day prior to such annual meeting or, if later, the 10th day following the day on which public disclosure of the date of such annual meeting was first made (such notice within such time periods, "Timely Notice").

Stockholders at an annual meeting or special meeting may only consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of the Board or by a qualified stockholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has delivered timely written notice in proper form to New Abpro's secretary of the stockholder's intention to bring such business before the meeting. These provisions could have the effect of delaying stockholder actions that are favored by the holders of a majority of the outstanding voting securities until the next stockholder meeting.

No Cumulative Voting

Under the DGCL, there is no right to vote cumulatively (which allows stockholders to cast all of the votes such stockholder is entitled to for a single nominee for a board of directors rather than only being able to vote the number of shares such stockholder holds for or against each nominee) unless expressly authorized in the certificate of incorporation. The Charter does not authorize cumulative voting.

Amendment of Charter or Bylaws

Our Bylaws may be amended or repealed by a majority vote of the Board or by the holders of at least 66 2/3% of the voting power of all of the then-outstanding shares entitled to vote generally in the election of directors, voting together as a single class. The affirmative vote of a majority of the Board and at least 66 2/3% in voting power of the outstanding shares entitled to vote thereon would be required to amend certain provisions of the Charter.

Limitations on Liability and Indemnification of Officers and Directors

The Charter and Bylaws provide indemnification and advancement of expenses for New Abpro's directors and officers to the fullest extent permitted by the DGCL, subject to certain limited exceptions. New Abpro has entered into indemnification agreements with each of its directors and officers. In some cases, the provisions of those indemnification agreements may be broader than the specific indemnification provisions contained under Delaware law. In addition, as permitted by Delaware law, the Charter and Bylaws include provisions that eliminate the personal liability of directors for monetary damages resulting from breaches of certain fiduciary duties as a director. The effect of this provision is to restrict New Abpro's rights and the rights of New Abpro's stockholders in derivative suits to recover monetary damages against a director for breach of fiduciary duties as a director.

These provisions may be held not to be enforceable for violations of the federal securities laws of the United States.

Dissenters' Rights of Appraisal and Payment

Under the DGCL, with certain exceptions, New Abpro's stockholders will have appraisal rights in connection with a merger or consolidation of New Abpro. Pursuant to Section 262 of the DGCL, stockholders who properly demand and perfect appraisal rights in connection with such merger or consolidation will have the right to receive payment of the fair value of their shares as determined by the Delaware Court of Chancery.

Stockholders' Derivative Actions

Under the DGCL, any of New Abpro's stockholders may bring an action in the company's name to procure a judgment in its favor, also known as a derivative action, provided that the stockholder bringing the action is a holder of New Abpro's shares at the time of the transaction to which the action relates.

Forum Selection

The Charter and Bylaws provide that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (i) any derivative action or proceeding brought on behalf of New Abpro; (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of New Abpro's current or former directors, officers, or other employees to New Abpro or its stockholders; (iii) any action or proceeding asserting a claim against New Abpro or any of its current or former directors, officers, or other employees, arising out of or pursuant to any provision of the Delaware General Corporation Law, the Charter or the Bylaws; (iv) any action or proceeding to interpret, apply, enforce, or determine the validity of the Charter or the Bylaws; (v) any action or proceeding as to which the DGCL confers jurisdiction to the Court of Chancery of the State of Delaware; and (vi) any action asserting a claim against New Abpro or any of its directors, officers, or other employees governed by the internal affairs doctrine, in all cases to the fullest extent permitted by law and subject to the court's having personal jurisdiction over the indispensable parties named as defendants. These provisions would not apply to suits brought to enforce a duty or liability created by the Exchange Act. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, the Charter and Bylaws will further provide that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause or causes of action arising under the Securities Act, including all causes of action asserted against any defendant to such complaint. For the avoidance of doubt, this provision is intended to benefit and may be enforced by New Abpro, its officers and directors, the underwriters to any offering giving rise to such complaint, and any other professional entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying this offering. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions. In such instance, New Abpro would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of the Charter and the Bylaws.

These exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with New Abpro or its directors, officers, or other employees and may discourage these types of lawsuits. Furthermore, the enforceability of similar choice of forum provisions in other companies' certificates of incorporation or bylaws has been challenged in legal proceedings, and it is possible that a court could find these types of provisions to be inapplicable or unenforceable. We note that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder.

Transfer Agent and Registrar

The transfer agent and registrar for our Common Stock is Continental Stock Transfer & Trust Company.

Trading Symbol and Market

Our Common Stock and our Public Warrants are listed on the Nasdaq Global Market under the symbols "ABP" and "ABPWW," respectively.

SELLING SECURITYHOLDERS

The Selling Securityholders may offer and sell, from time to time, any or all of the Common Stock or Warrants being offered for resale by this prospectus, which consist of:

- 3,367,401 shares of Common Stock, issued in the PIPE Offering to the PIPE Investors, including the Incentive Shares;
- 350,000 shares of Common Stock issued to Pillsbury Winthrop Shaw Pittman LLC in consideration for legal services provided to ACAB;
- 600,000 shares of Common Stock issued to Cantor in satisfaction of Cantor's deferred underwriting fee from the ACAB IPO;
- 100,000 shares of Common Stock issued to Roth Capital Partners, LLC for advisory services;
- 32,852 shares of Common Stock issued to Brookline Capital, in partial satisfaction of financial advisory fees;
- 360,000 shares of Common Stock issued to Polar Multi-Strategy Master Fund in satisfaction of the SPAC Loan;
- 200,000 shares of Common Stock issued to J.V.B. Financial Group, LLC for advisory services;
- 3,482,268 shares of Common Stock held by the Sponsor, including 600,601 shares of Common Stock issued to the Sponsor in satisfaction of a working capital note issued to ACAB;
- 600,000 shares of Common Stock issued to Mr. Chan, in satisfaction of an approximately $2.0 million promissory note of Abpro Corporation;
- 983,333 shares of Common Stock issued to Abpro Bio in connection with Closing;
- 983,333 shares of Common Stock issued to Abpro Corporation in connection with Closing;
- 825,225 shares of Common Stock issued to ACAB's designees in connection with Closing;
- 2,881,667 shares of Common Stock held by the Sponsor;
- 50,000 shares of Common Stock held by Apeiron Investment Group Ltd.;
- 250,000 shares of Common Stock held by the initial directors of ACAB;
- 9,498,900 shares of Common Stock issued as Merger Consideration to directors and officers of the Company;
- Up to 10,102,000 shares of Common Stock issuable pursuant to the SEPA with Yorkville; and
- an aggregate of 13,850,000 Placement Warrants.

The Selling Securityholders may from time to time offer and sell any or all of the Common Stock and Warrants set forth in the table below pursuant to this prospectus. When we refer to the "Selling Securityholders" in this prospectus, we refer to the persons listed in the table below, and the pledgees, donees, transferees, assignees, successors and other permitted transferees that hold any of the Selling Securityholders' interest in the Common Stock or warrants after the date of this prospectus.

The following tables provide, as of the date of this prospectus, information regarding the beneficial ownership of our Common Stock and Warrants of each Selling Securityholder, the number of Common Stock or Warrants that may be sold by each Selling Securityholder under this prospectus and that each Selling Securityholder will beneficially own after this offering. The immediately following table also sets forth the percentage of Common Stock or Warrants beneficially owned by a Selling Securityholder after giving effect to the sale by the Selling Securityholder of all securities being offered hereby, based on 51,815,765 shares of Common Stock outstanding as of December 23, 2024, including 39,123,200 shares of Common Stock issued to the former shareholders of Abpro Corporation in the Business Combination as Merger Consideration, an aggregate of 3,367,401 shares of Common Stock issued in connection with the PIPE Offering, 1,642,852 shares of Common Stock issued to the underwriters and vendors in connection with the Closing, an aggregate of 1,200,601 shares issued in satisfaction of certain debt obligations of ACAB and Abpro Corporation, and reflects the valid redemption of 330,276 Public Shares. The Common Stock issuable upon exercise of the Warrants are not included in the table below as the table assumes the Warrants are sold in the offering prior to their exercise by the applicable Selling Securityholder. The following table does not include Public Warrants or the primary issuance of Common Stock underlying the Public Warrants.

We cannot advise you as to whether the Selling Securityholders will in fact sell any or all of such Common Stock or Warrants. In particular, the Selling Securityholders identified below may have sold, transferred or otherwise disposed of all or a portion of their securities after the date on which they provided us with information regarding their securities in transactions exempt from registration under the Securities Act.

The following table sets forth certain information provided by or on behalf of the Selling Securityholders as of December 23, 2024 concerning the Common Stock and Warrants that may be offered from time to time by each Selling Securityholder with this prospectus. For the purposes of this following table, we have assumed that the Selling Securityholders will have sold all of the securities covered by this prospectus upon the completion of the offering. Please see the section entitled "*Plan of Distribution*" for further information regarding the Selling Securityholders' method of distributing these Common Stock and Warrants.

Unless otherwise indicated below, the address of each beneficial owner listed in the tables below is c/o Abpro Holdings, Inc., 68 Cummings Park Drive, Woburn, MA 01801.

Name of Selling Securityholder	Number of Common Stock Owned Prior to the Offering	Number of Warrants Owned Prior to the Offering	Maximum Number of Common Stock To Be Sold Pursuant to this Prospectus	Maximum Number of Warrants To Be Sold Pursuant to this Prospectus	Number of Common Stock Owned After the Offering	%[1]	Number of Warrants Owned After the Offering	%
Abpro Bio International, Inc.[2]	2,850,734	—	2,850,734	—	—	—	—	—
Celltrion, Inc.[3]	1,500,000	—	1,500,000	—	—	—	—	—
Abpro Corporation[4]	983,333	—	983,333	—	—	—	—	—
Atlantic Coastal Acquisition Management II LLC[5]	3,482,268	13,850,000	3,482,268	13,850,000	—	—	—	—
Pillsbury Winthrop Shaw Pittman LLC[6]	350,000	—	350,000	—	—	—	—	—
Cantor Fitzgerald & Co.[7]	600,000	—	600,000	—	—	—	—	—
Roth Capital Partners, LLC[8]	100,000	—	100,000	—	—	—	—	—
Arcadia Securities, LLC[9]	32,852	—	32,852	—	—	—	—	—
Polar Multi-Strategy Master Fund[10]	447,500	—	447,500	—	—	—	—	—
Cohen & Company Capital Markets, a division of J.V.B. Financial Group, LLC [11]	200,000	—	200,000	—	—	—	—	—
Ian Chan[12]	9,252,800	—	9,252,800	—	—	—	—	—
Robert Markelewicz	760,500	—	760,500	—	—	—	—	—
J. Wook (Miles) Suk	85,600	—	85,600	—	—	—	—	—
YA II PN, Ltd.[13]	10,202,000	—	10,102,000	—	100,000	*	—	—
Apeiron Investment Group Ltd.[14]	50,000	—	50,000	—	—	—	—	—
Joanna Lord	50,000	—	50,000	—	—	—	—	—
Bryan Dove	50,000	—	50,000	—	—	—	—	—
Iqbaljit Kahlon	50,000	—	50,000	—	—	—	—	—
Darren Stanwood	50,000	—	50,000	—	—	—	—	—
Dominick J. Schiano	50,000	—	50,000	—	—	—	—	—
Sandia Crest LP[15]	12,500	—	12,500	—	—	—	—	—
Walleye Opportunities Master Fund Ltd[15]	25,000	—	25,000	—	—	—	—	—
Walleye Investments Fund LLC[15]	12,500	—	12,500	—	—	—	—	—
Crestline Summit Master, SPC - Peak SP[15]	26,515	—	26,515	—	—	—	—	—
Crestline Summit Master,SPC - Crestline Summit APEX SP[15]	10,985	—	10,985	—	—	—	—	—
Exos Collateralized SPAC Holdings Fund LP[16]	75,000	—	75,000	—	—	—	—	—
LMR CCSA Master Fund Limited[17]	31,250	—	31,250	—	—	—	—	—
LMR Multi-Strategy Master Fund Limited[17]	31,250	—	31,250	—	—	—	—	—
AQR Absolute Return Master Account, L.P. [18]	25,000	—	25,000	—	—	—	—	—
AQR Global Alternative Investment Offshore Fund, L.P.– SPACs Sleeve[18]	50,000	—	50,000	—	—	—	—	—
AQR Corporate Arbitrage Master Account, L.P. [18]	12,500	—	12,500	—	—	—	—	—
Atlas Merchant Capital SPAC Fund I LP[19]	87,500	—	87,500	—	—	—	—	—
Sea Otter Trading LLC[20]	87,500	—	87,500	—	—	—	—	—
Tenor Opportunity Master Fund, Ltd. [21]	100,000	—	100,000	—	—	—	—	—
FT SOF XIII (SPAC) Holdings, LLC[22]	29,275	—	29,275	—	—	—	—	—
Boston Patriot Merrimack St. LLC[22]	33,450	—	33,450	—	—	—	—	—
Radcliffe SPAC Master Fund, L.P.[23]	87,500	—	87,500	—	—	—	—	—

* Indicates less than 1%.

(1) The percentage of beneficial ownership after this offering is calculated based on 51,815,765 Common Stock outstanding as of the date of this prospectus. Unless otherwise indicated, we believe that all persons named in the table have sole voting and investment power with respect to all shares beneficially owned by them.

(2) Consists of 2,850,734 shares of Common Stock issued to Abpro Bio International, Inc. The business address for Abpro Bio International, Inc. is 139, Techno jungang-daero, Yuga-myeon, Dalseong-gun, Daegu, Republic of Korea. Abpro Bio International, Inc. is a subsidiary of Abpro Bio Co. Ltd, a publicly traded company listed on the KOSDAQ market of the Korea Exchange (KOSDAQ: 195990).

(3) Consists of 1,500,000 shares of Common Stock issued to Celltrion, Inc. The business address for Celltrion, Inc. is 139, 23, Academy-ro, Yeonsu-gu, Incheon, Republic of Korea.

(4) Abpro Corporation is New Abpro's wholly owned subsidiary. The business address of Abpro Corporation is 68 Cummings Park Drive, Woburn, MA 01801.

(5) Atlantic Coastal Acquisition Management II LLC is the Sponsor of ACAB, our predecessor company. Certain directors of ACAB may have a pecuniary interest in Atlantic Coastal Acquisition Management II LLC. The business address of Atlantic Coastal Acquisition Management II LLC is 6 St Johns Lane, Floor 5, New York, New York 10013.

(6) Consists of 350,000 shares of Common Stock issued to Pillsbury Winthrop Shaw Pittman LLC in consideration for legal services provided to ACAB. The business address of Pillsbury Winthrop Shaw Pittman LLC is 31 West 52nd Street, New York, New York 10019-6131.

(7) Consists of 600,000 shares of Common Stock issued to Cantor Fitzgerald & Co. in satisfaction of Cantor's deferred underwriting fee from the ACAB IPO. The business address of Cantor Fitzgerald & Co. is 499 Park Avenue, New York, New York 10022.

(8) Consists of 100,000 shares of Common Stock issued to Roth Capital Partners, LLC for advisory services. The business address of Roth Capital Partners, LLC is 888 San Clemente Drive, Suite 400, Newport Beach, California 92660.

(9) Consists of 32,852 shares of Common Stock issued to Arcadia Securities, LLC, in partial satisfaction of financial advisory fees. The business address of Arcadia Securities, LLC is 1370 Avenue of the Americas, 27th Floor, New York, NY 10019.

(10) Consists of 87,500 shares of Common Stock issued to Polar Multi-Strategy Master Fund distributed to it by the Sponsor in connection with Closing and 360,000 shares issued in satisfaction of the SPAC Loan. The business address of Polar Multi-Strategy Master Fund is 16 York Street, Suite 2900, Toronto, Ontario M5J 0E6.

(11) Consists of 200,000 shares of Common Stock issued to Cohen & Company Capital Markets, a division of J.V.B. Financial Group, LLC for services rendered. The business address of Cohen is 3 Columbus Circle, 24 th Floor, New York, New York 10019.

(12) Consists of 8,652,800 shares of Common Stock issued as Merger Consideration and 600,000 shares of Common Stock issued to Mr. Chan, in satisfaction of an approximately $2.0 million promissory note of Abpro Corporation.

(13) Consists of 397,160 shares of Common Stock held by Yorkville, which includes 100,000 shares purchased pursuant to the Forward Purchase Agreement, and 297,160 Commitment Shares, and up to an additional 9,804,840 shares of Common Stock issuable pursuant to the SEPA with Yorkville and does not reflect applicable limitations on Yorkville's ownership of Common Stock pursuant to the terms of the SEPA. YA II PN, Ltd. is a Cayman Islands exempt limited company. Investment decisions for YA II PN, Ltd. are made by Mr. Mark Angelo. The business address of YA II PN, Ltd. is 1012 Springfield Avenue, Mountainside, NJ 07092.

(14) The business address of Apeiron Investment Group Ltd. is Beatrice, at 66 & 67 Amery Street, SLM1707, Sliema, Malta. Christian Angermayer is the majority shareholder of Apeiron Investment Group Ltd and may be deemed to share beneficial ownership of the securities beneficially owned by Apeiron Investment Group Ltd.

(15) Consists of 25,000 shares held by Walleye Opportunities Master Fund Ltd, 12,500 shares held by Walleye Investments Fund LLC, 26,515 shares held by Crestline Summit Master, SPC — Peak SP, 10,985 shares held by Crestline Summit Master, SPC — Crestline Summit APEX SP, and 12,500 shares held by Sandia Crest LP. Sandia Investment Management LP serves as investment manager to these shareholders. Tim Sichler is the majority owner of Sandia Investment Management LP. The principal business address of Sandia Investment Management LP is 201 Washington Street, Suite 2600, Boston, MA 02108.

(16) Exos Collateralized SPAC Holdings Fund GP LLC ("Exos GP") is the general partner of, and Exos Asset Management LLC ("Exos Manager"; and together with Exos GP, the "Exos Entities")) is the investment manager to, Exos Collateralized SPAC Holdings Fund LP (the "Exos Fund"). Accordingly, each of the Exos Entities may be deemed to indirectly beneficially own the shares owned directly by the Exos Fund. The address of the entity listed above is 1370 Broadway, Suite 1450, New York, New York 10018.

(17) Consists of 31,250 shares of Common Stock held by LMR Multi-Strategy Master Fund Limited and 31,250 shares of Common Stock held by LMR CCSA Master Fund Limited (collectively, "LMR"). LMR is deemed to be the beneficial owner having shared voting power and shared investment power over the securities described in this footnote. The business address of LMR is 9th Floor, Devonshire House, 1 Mayfair Place, London, United Kingdom W1J8AJ.

(18) Consists of 25,000 shares of Common Stock held by AQR Absolute Return Master Account, L.P. ("AQR Absolute Return"), 50,000 shares of Common Stock held by AQR Global Alternative Investment Offshore Fund, L.P.-SPACs Sleeve ("AQR Global"), and 12,500 shares of Common Stock held by AQR Corporate Arbitrage Master Account, L.P. ("AQR Corporate Arbitrage"). AQR Absolute Return, AQR Global, and AQR Corporate Arbitrage are Cayman Islands exempted limited partnerships. AQR Capital Management, LLC ("AQR Capital Management") and AQR Arbitrage, LLC ("AQR Arbitrage"), each a Delaware limited liability company, act as investment advisers to AQR Absolute Return, AQR Global, and AQR Corporate Arbitrage. AQR Arbitrage is deemed to be controlled by AQR Capital Management. AQR Capital Management is a wholly-owned subsidiary of AQR Capital Management Holdings, LLC, a Delaware limited liability company ("AQR Capital Management Holdings"). Clifford Asness is the principal owner of AQR Capital Management, LLC through intermediate entities and therefore may be deemed to have voting or investment control of the shares being offered for resale. The principal business address of AQR Absolute Return, AQR Global, and AQR Corporate Arbitrage is One Greenwich Plaza, Suite 130, Greenwich, CT 06830.

(19) Robert E. Diamond, Jr. and David I. Schamis have the power to vote or dispose of shares of Common Stock held by Atlas Merchant Capital SPAC Fund I LP. The business address for Atlas Merchant Capital SPAC Fund I LP is 477 Madison Ave., 22nd Floor, New York, NY 10022.

(20) Nicholas Fahey and Peter Smith are Managing Partners of Sea Otter Trading LLC and hold power to vote or dispose such shares of Common Stock. The business address for Sea Otter Trading LLC is 111 Brickell Ave, Suite 2920, Miami FL 33133.

(21) Tenor Capital Management Company, L.P. serves as the investment adviser for Tenor Opportunity Master Fund, Ltd. and therefore may be deemed to share voting and investment power with respect to these shares in such capacity. Tenor Management GP, LLC is the general partner of Tenor Capital Management Company, L.P. and Robin R. Shah is the sole managing member of Tenor Management GP, LLC. As such, Mr. Shah may be deemed to have beneficial ownership over the shares. The address of Tenor Opportunity Master Fund, Ltd. is c/o Tenor Capital Management, 810 7th Avenue, Suite 1905, New York, NY 10019.

(22) Consists of 29,275 shares of Common Stock held by FT SOF XIII (SPAC) Holdings, LLC and 33,450 shares of Common Stock held by Boston Patriot Merrimack St. LLC. FT SOF XIII (SPAC) Holdings, LLC and Boston Patriot Merrimack St. LLC are represented by Fir Tree Capital Management, LP and Fir Tree Capital Management may be deemed to have beneficial ownership over the shares. The address for Fir Tree Capital Management is 500 Fifth Ave, 9th Floor, New York, NY 10110.

(23) Radcliffe Capital Management, L.P. ("RCM") serves as the investment manager of the Radcliffe SPAC Master Fund, L.P. ("Radcliffe Fund"). RGC Management Company, LLC ("Management") is the general partner of RCM. Steve Katznelson and Christopher Hinkel serve as managing members of Management. Each of the parties in this footnote disclaims any beneficial ownership of the reported shares other than to the extent of any pecuniary interest the party may have therein. The principal business address of Radcliffe Fund is c/o Radcliffe Capital Management, L.P., 50 Monument Road, Suite 300, Bala Cynwyd, PA 19004.

PLAN OF DISTRIBUTION

Each Selling Securityholder of the securities and any of their pledgees, assignees and successors-in- interest may, from time to time, sell any or all of their securities covered hereby on the principal trading market for such securities or any other stock exchange, market or trading facility on which the securities are traded or in private transactions. These sales may be at fixed or negotiated prices. A Selling Securityholder may use any one or more of the following methods when selling securities:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits Subscribers;
- block trades in which the broker-dealer will attempt to sell the securities as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- settlement of short sales;
- in transactions through broker-dealers that agree with the Selling Securityholders to sell a specified number of such securities at a stipulated price per security;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- a combination of any such methods of sale; or
- any other method permitted pursuant to applicable law.

The Selling Securityholders may also sell securities under Rule 144 or any other exemption from registration under the Securities Act, if available, rather than under this prospectus.

Broker-dealers engaged by the Selling Securityholders may arrange for other brokers-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the Selling Securityholders (or, if any broker-dealer acts as agent for the Subscriber of securities, from the Subscriber) in amounts to be negotiated, but except as set forth in a supplement to this Prospectus, in the case of an agency transaction not in excess of a customary brokerage commission in compliance with FINRA Rule 2440; and in the case of a principal transaction a markup or markdown in compliance with FINRA IM-2440.

In connection with the sale of the securities or interests therein, the Selling Securityholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the securities in the course of hedging the positions they assume. The Selling Securityholders may also sell securities short and deliver these securities to close out their short positions, or loan or pledge the securities to broker-dealers that in turn may sell these securities. The Selling Securityholders may also enter into option or other transactions with broker-dealers or other financial institutions or create one or more derivative securities which require the delivery to such broker-dealer or other financial institution of securities offered by this prospectus, which securities such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The Selling Securityholders and any broker-dealers or agents that are involved in selling the securities may be deemed to be "underwriters" within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the securities purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. Each Selling Securityholder has informed the Company that it does not have any written or oral agreement or understanding, directly or indirectly, with any person to distribute the securities.

The Company is required to pay certain fees and expenses incurred incident to the registration of the securities. The Company has agreed to indemnify the Selling Securityholders against certain losses, claims, damages and liabilities, including liabilities under the Securities Act.

We agreed to keep this prospectus effective until the earlier of (i) all of the securities have been sold pursuant to this prospectus or Rule 144 under the Securities Act or any other rule of similar effect, (ii) they may be sold pursuant to Rule 144 without volume or manner-of-sale restrictions; or (iii) it has been two years from the Closing Date. The resale securities will be sold only through registered or licensed brokers or dealers if required under applicable state securities laws. In addition, in certain states, the resale securities covered hereby may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with.

Under applicable rules and regulations under the Exchange Act, any person engaged in the distribution of the resale securities may not simultaneously engage in market making activities with respect to the Common Stock for the applicable restricted period, as defined in Regulation M, prior to the commencement of the distribution. In addition, the Selling Securityholders will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including Regulation M, which may limit the timing of purchases and sales of the Common Stock by the Selling Securityholders or any other person. We will make copies of this prospectus available to the Selling Securityholders and have informed them of the need to deliver a copy of this prospectus to each Subscriber at or prior to the time of the sale (including by compliance with Rule 172 under the Securities Act).

UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is a summary of certain material U.S. federal income tax considerations generally applicable to the ownership and disposition of our Common Stock and Warrants, which we refer to collectively as our securities. This summary is based upon U.S. federal income tax law as of the date of this prospectus, which is subject to change or differing interpretations, possibly with retroactive effect. This summary does not discuss all aspects of U.S. federal income taxation that may be important to particular investors in light of their individual circumstances, including investors subject to special tax rules (*e.g.*, financial institutions, insurance companies, broker-dealers, dealers or traders in securities, tax-exempt organizations, taxpayers that have elected mark-to-market accounting, S corporations, regulated investment companies, real estate investment trusts, passive foreign investment companies, controlled foreign corporations, U.S. Holders (as defined below) that will hold Common Stock or Warrants as part of a straddle, hedge, conversion, or other integrated transaction for U.S. federal income tax purposes, expatriates or former long-term residents of the United States, or investors that have a functional currency other than the U.S. dollar), all of whom may be subject to tax rules that differ materially from those summarized below. This summary does not discuss other U.S. federal tax consequences (*e.g.*, estate or gift tax), any state, local, or non-U.S. tax considerations, or the Medicare tax or alternative minimum tax. In addition, this summary is limited to investors that will hold our securities as "capital assets" (generally, property held for investment) under the Internal Revenue Code of 1986, as amended (the "Code") and that acquire our Common Stock and Warrants for cash pursuant to this prospectus. No ruling from the Internal Revenue Service, (the "IRS") has been or will be sought regarding any matter discussed herein. No assurance can be given that the IRS would not assert, or that a court would not sustain a position contrary to, any of the tax aspects set forth below.

For purposes of this summary, a "U.S. Holder" is a beneficial holder of securities who or that, for U.S. federal income tax purposes is:

- an individual who is a United States citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation) created in, or organized under the law of, the United States or any state or political subdivision thereof;
- an estate the income of which is includible in gross income for United States federal income tax purposes regardless of its source; or
- a trust (A) the administration of which is subject to the primary supervision of a United States court and which has one or more United States persons (within the meaning of the Code) who have the authority to control all substantial decisions of the trust or (B) that has in effect a valid election under applicable Treasury regulations to be treated as a United States person.

A "Non-U.S. Holder" is a beneficial holder of securities who or that is neither a U.S. Holder nor a partnership for U.S. federal income tax purposes.

If a partnership (including an entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds our securities, the tax treatment of a partner, member, or other beneficial owner in such partnership will generally depend upon the status of the partner, member, or other beneficial owner, the activities of the partnership, and certain determinations made at the partner, member, or other beneficial owner level. If you are a partner, member, or other beneficial owner of a partnership holding our securities, you are urged to consult your tax advisor regarding the tax consequences of the ownership and disposition of our securities.

THIS DISCUSSION OF U.S. FEDERAL INCOME TAX CONSIDERATIONS IS FOR GENERAL INFORMATION PURPOSES ONLY AND IS NOT TAX ADVICE. PROSPECTIVE HOLDERS SHOULD CONSULT THEIR TAX ADVISORS CONCERNING THE U.S. FEDERAL INCOME TAX CONSEQUENCES TO THEM OF OWNING AND DISPOSING OF OUR SECURITIES, AS WELL AS THE APPLICATION OF ANY, STATE, LOCAL AND NON-U.S. INCOME, ESTATE, AND OTHER TAX CONSIDERATIONS.

U.S. Holders

Taxation of Distributions

If we pay distributions or make constructive distributions (other than certain distributions of our stock or rights to acquire our stock) to U.S. Holders of shares of our Common Stock, such distributions generally will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess of our current and accumulated earnings and profits will constitute a return of capital that will be applied against and reduce (but not below zero) the U.S. Holder's adjusted tax basis in our Common Stock. Any remaining excess will be treated as gain realized on the sale or other disposition of the Common Stock and will be treated as described under "*U.S. Holders — Gain or Loss on Sale, Taxable Exchange or Other Taxable Disposition of Common Stock*" below.

Dividends we pay to a U.S. Holder that is a taxable corporation will generally qualify for the dividends received deduction if the requisite holding period is satisfied. With certain exceptions (including dividends treated as investment income for purposes of investment interest deduction limitations), and provided certain holding period requirements are met, dividends we pay to a non-corporate U.S. Holder will generally constitute "qualified dividends" that will be subject to tax at the preferential tax rate accorded to long-term capital gains. If the holding period requirements are not satisfied, a corporation may not be able to qualify for the dividends received deduction and would have taxable income equal to the entire dividend amount, and non-corporate holders may be subject to tax on such dividend at ordinary income tax rates instead of the preferential rates that apply to qualified dividend income.

Gain or Loss on Sale, Taxable Exchange or Other Taxable Disposition of Common Stock

A U.S. Holder generally will recognize gain or loss on the sale, taxable exchange or other taxable disposition of our Common Stock. Any such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period for the Common Stock so disposed of exceeds one year. The amount of gain or loss recognized will generally be equal to the difference between (1) the sum of the amount of cash and the fair market value of any property received in such disposition and (2) the U.S. Holder's adjusted tax basis in its Common Stock disposed. A U.S. Holder's adjusted tax basis in its Common Stock will generally equal the U.S. Holder's acquisition cost for such Common Stock (or, in the case of Common Stock received upon exercise of a Warrant, the U.S. Holder's initial basis for such Common Stock, as discussed below), less any prior distributions treated as a return of capital. The deductibility of capital losses is subject to limitations. Long-term capital gains recognized by non-corporate U.S. Holders are generally eligible for reduced rates of tax. If the U.S. Holder's holding period for the Common Stock so disposed of is one year or less, any gain on a sale or other taxable disposition of the shares would be subject to short-term capital gain treatment and would be taxed at ordinary income tax rates. The deductibility of capital losses is subject to limitations.

Exercise of a Warrant

Except as discussed below with respect to the cashless exercise of a Warrant, a U.S. Holder generally will not recognize taxable gain or loss upon the exercise of a Warrant for cash. The U.S. Holder's initial tax basis in the share of our Common Stock received upon exercise of the Warrant will generally be an amount equal to the sum of the U.S. Holder's acquisition cost of the Warrant and the exercise price of such Warrant. It is unclear whether a U.S. Holder's holding period for the Common Stock received upon exercise of the Warrant would commence on the date of exercise of the Warrant or the day following the date of exercise of the Warrant; however, in either case the holding period will not include the period during which the U.S. Holder held the Warrants.

The tax consequences of a cashless exercise of a Warrant are not clear under current tax law. A cashless exercise may be nontaxable, either because the exercise is not a realization event or because the exercise is treated as a recapitalization for U.S. federal income tax purposes. In either situation, a U.S. Holder's initial tax basis in the Common Stock received generally should equal the holder's adjusted tax basis in the Warrant. If the cashless exercise were treated as not being a realization event, it is unclear whether a U.S. Holder's holding period for the Common Stock would commence on the date of exercise of the Warrant or the day following the date of exercise of the Warrant; in either case, the holding period would not include the period during which the U.S. Holder held the Warrant. If, instead, the cashless exercise were treated as a recapitalization, the holding period of the Common Stock generally would include the holding period of the Warrant.

It is also possible that a cashless exercise of a Warrant could be treated in part as a taxable exchange in which gain or loss is recognized. In such event, a U.S. Holder could be deemed to have surrendered a portion of the Warrants being exercised having a value equal to the exercise price of such Warrants in satisfaction of such exercise price. Although not free from doubt, such U.S. Holder generally should recognize capital gain or loss in an amount equal to the difference between the fair market value of the Warrants deemed surrendered to satisfy the exercise price and the U.S. Holder's adjusted tax basis in such Warrants. In this case, a U.S. Holder's initial tax basis in the Common Stock received would equal the sum of the exercise price and the U.S. holder's adjusted tax basis in the Warrants exercised. It is unclear whether a U.S. Holder's holding period for the Common Stock would commence on the date of exercise of the Warrant or the day following the date of exercise of the Warrant; in either case, the holding period would not include the period during which the U.S. Holder held the Warrant. Due to the uncertainty and absence of authority on the U.S. federal income tax treatment of a cashless exercise, including when a U.S. Holder's holding period would commence with respect to the Common Stock received, U.S. Holders are urged to consult their tax advisors regarding the tax consequences of a cashless exercise.

Sale, Exchange, Redemption or Expiration of a Warrant

Upon a sale, exchange (other than by exercise), redemption (other than a redemption for Common Stock), or expiration of a Warrant, a U.S. Holder will recognize taxable gain or loss in an amount equal to the difference between (1) the amount realized upon such disposition or expiration and (2) the U.S. Holder's adjusted tax basis in the Warrant. A U.S. Holder's adjusted tax basis in its Warrants will generally equal the U.S. Holder's acquisition cost, increased by the amount of any constructive distributions included in income by such U.S. Holder (as described below under "*U.S. Holders — Possible Constructive Distributions*"). Such gain or loss generally will be treated as long-term capital gain or loss if the Warrant is held by the U.S. Holder for more than one year at the time of such disposition or expiration. If a Warrant is allowed to lapse unexercised, a U.S. Holder will generally recognize a capital loss equal to such holder's adjusted tax basis in the Warrant. The deductibility of capital losses is subject to certain limitations.

A redemption of Warrants for Common Stock described in this prospectus under "*Description of Securities — Warrants*" should be treated as a "recapitalization" for U.S. federal income tax purposes. Accordingly, you should not recognize any gain or loss on the redemption of Warrants for shares of our Common Stock. Your aggregate initial tax basis in the Common Stock received in the redemption should equal your aggregate adjusted tax basis in your Warrants redeemed and your holding period for the Common Stock received in redemption of your Warrants should include your holding period for your surrendered Warrants. However, there is some uncertainty regarding this tax treatment and, accordingly, U.S. Holders should consult their tax advisors regarding the tax consequences of a redemption of Warrants for Common Stock.

Possible Constructive Distributions

The terms of each Warrant provide for an adjustment to the number of Common Stock for which the Warrant may be exercised or to the exercise price of the Warrant in certain events, as discussed in the section of this prospectus captioned "*Description of Securities — Warrants*." An adjustment which has the effect of preventing dilution generally should not be a taxable event. Nevertheless, a U.S. Holder of Warrants would be treated as receiving a constructive distribution from us if, for example, the adjustment increases the holder's proportionate interest in our assets or earnings and profits (e.g., through an increase in the number of shares of Common Stock that would be obtained upon exercise) as a result of a distribution of cash to the holders of shares of our Common Stock which is taxable to such holders as a distribution. Such constructive distribution would be subject to tax as described above under "*U.S. Holders — Taxation of Distributions*" in the same manner as if such U.S. Holder received a cash distribution from us on Common Stock equal to the fair market value of such increased interest.

Information Reporting and Backup Withholding

In general, information reporting requirements may apply to dividends paid to a U.S. Holder and to the proceeds of the sale or other disposition of our Common Stock and Warrants, unless the U.S. Holder is an exempt recipient. Backup withholding may apply to such payments if the U.S. Holder fails to provide a taxpayer identification number, a certification of exempt status or has been notified by the IRS that it is subject to backup withholding (and such notification has not been withdrawn).

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability and may entitle such holder to a refund, provided the required information is timely furnished to the IRS.

Non-U.S. Holders

Taxation of Distributions

In general, any distributions (including constructive distributions) we make to a Non-U.S. Holder of shares of our Common Stock, to the extent paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles), will constitute dividends for U.S. federal income tax purposes and, provided such dividends are not effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States, we will be required to withhold tax from the gross amount of the dividend at a rate of 30%, unless such Non-U.S. Holder is eligible for a reduced rate of withholding tax under an applicable income tax treaty and provides proper certification of its eligibility for such reduced rate (usually on an IRS Form W-8BEN or W-8BEN-E, as applicable). In the case of any constructive dividend (as described below under "*Non-U.S. Holders — Possible Constructive Distributions*"), it is possible that this tax would be withheld from any amount owed to a Non-U.S. Holder by the applicable withholding agent, including cash distributions on other property or sale proceeds from Warrants or other property subsequently paid or credited to such holder. Any distribution not constituting a dividend will be treated first as reducing (but not below zero) the Non-U.S. Holder's adjusted tax basis in its Common Stock and, to the extent such distribution exceeds the Non-U.S. Holder's adjusted tax basis, as gain realized from the sale or other disposition of the Common Stock, which will be treated as described under "*Non-U.S. Holders — Gain on Sale, Taxable Exchange or Other Taxable Disposition of Common Stock and Warrants*" below. In addition, if we determine that we are likely to be classified as a "United States real property holding corporation" (see "*Non-U.S. Holders — Gain on Sale, Exchange or Other Taxable Disposition of Common Stock and Warrants*" below), we will withhold 15% of any distribution that exceeds our current and accumulated earnings and profits.

Dividends we pay to a Non-U.S. Holder that are effectively connected with such Non-U.S. Holder's conduct of a trade or business within the United States (or if a tax treaty applies are attributable to a U.S. permanent establishment or fixed base maintained by the Non-U.S. Holder) will generally not be subject to U.S. withholding tax, provided such Non-U.S. Holder complies with certain certification and disclosure requirements (generally by providing an IRS Form W-8ECI). Instead, such dividends generally will be subject to U.S. federal income tax, net of certain deductions, at the same graduated individual or corporate rates applicable to U.S. Holders. If the Non-U.S. Holder is a corporation, dividends that are effectively connected income may also be subject to a "branch profits tax" at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty).

Exercise of a Warrant

The U.S. federal income tax treatment of a Non-U.S. Holder's exercise of a Warrant will generally correspond to the U.S. federal income tax treatment of the exercise of a Warrant by a U.S. Holder, as described under "*U.S. Holders — Exercise of a Warrant*" above, although to the extent a cashless exercise results in a taxable exchange, the tax consequences to the Non-U.S. Holder would be the same as those described below in "*Non-U.S. Holders — Gain on Sale, Exchange or Other Taxable Disposition of Common Stock and Warrants*."

Redemption of Warrants for Common Stock

A redemption of Warrants for Common Stock described in this prospectus under "*Description of Securities — Warrants*" should be treated as a "recapitalization" for U.S. federal income tax purposes. Accordingly, you should not recognize any gain or loss on the redemption of Warrants for shares of our Common Stock. Your aggregate initial tax basis in the Common Stock received in the redemption should equal your aggregate adjusted tax basis in your Warrants redeemed and your holding period for the Common Stock received in redemption of your Warrants should include your holding period for your surrendered Warrants. However, there is some uncertainty regarding this tax treatment and, accordingly, Non-U.S. Holders should consult their tax advisors regarding the tax consequences of a redemption of Warrants for Common Stock.

Gain on Sale, Exchange or Other Taxable Disposition of Common Stock and Warrants

A Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax in respect of gain recognized on a sale, taxable exchange or other taxable disposition of our Common Stock or Warrants or an expiration or redemption of our Warrants, unless:

- the gain is effectively connected with the conduct of a trade or business by the Non-U.S. Holder within the United States (and, if an applicable tax treaty so requires, is attributable to a U.S. permanent establishment or fixed base maintained by the Non-U.S. Holder);
- the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition and certain other conditions are met; or
- we are or have been a "United States real property holding corporation" for U.S. federal income tax purposes at any time during the shorter of the five-year period ending on the date of disposition or the period that the Non-U.S. Holder held our Common Stock or Warrants and, in the case where shares of our Common Stock are regularly traded on an established securities market, the Non-U.S. Holder has owned, directly or constructively, more than 5% of our common stock at any time within the shorter of the five-year period preceding the disposition or such Non-U.S. Holder's holding period for the shares of our common stock. There can be no assurance that our Common Stock will be treated as regularly traded on an established securities market for this purpose.

Gain described in the first bullet point above will be subject to tax at generally applicable U.S. federal income tax rates as if the Non-U.S. Holder were a U.S. resident. Any gains described in the first bullet point above of a Non-U.S. Holder that is a foreign corporation may also be subject to an additional "branch profits tax" at a 30% rate (or lower applicable treaty rate). Gain described in the second bullet point above will generally be subject to a flat 30% U.S. federal income tax. Non-U.S. Holders are urged to consult their tax advisors regarding possible eligibility for benefits under income tax treaties.

If the third bullet point above applies to a Non-U.S. Holder and applicable exceptions are not available, gain recognized by such holder on the sale, exchange or other disposition of our Common Stock or Warrants will be subject to tax at generally applicable U.S. federal income tax rates. In addition, a buyer of our Common Stock or Warrants from such holder may be required to withhold U.S. income tax at a rate of 15% of the amount realized upon such disposition. Non-U.S. Holders are urged to consult their tax advisors regarding the application of these rules.

Possible Constructive Distributions

The terms of each Warrant provide for an adjustment to the number of Common Stock for which the Warrant may be exercised or to the exercise price of the Warrant in certain events, as discussed in the section of this prospectus captioned "*Description of Securities — Warrants*." An adjustment which has the effect of preventing dilution generally should not be a taxable event. Nevertheless, a Non-U.S. Holder of Warrants would be treated as receiving a constructive distribution from us if, for example, the adjustment increases the holder's proportionate interest in our assets or earnings and profits (e.g., through an increase in the number of Common Stock that would be obtained upon exercise) as a result of a distribution of cash to the holders of our Common Stock which is taxable to such holders as a distribution. A Non-U.S. Holder would be subject to U.S. federal income tax withholding as described above under "*Non-U.S. Holders — Taxation of Distributions*" under that section in the same manner as if such Non-U.S. Holder received a cash distribution from us on Common Stock equal to the fair market value of such increased interest.

Foreign Account Tax Compliance Act

Provisions of the Code and Treasury Regulations and administrative guidance promulgated thereunder commonly referred as the "Foreign Account Tax Compliance Act" ("FATCA") generally impose withholding at a rate of 30% in certain circumstances on dividends (including constructive dividends) in respect of our securities which are held by or through certain foreign financial institutions (including investment funds), unless any such institution (1) enters into, and complies with, an agreement with the IRS to report, on an annual basis, information with respect to interests in, and accounts maintained by, the institution that are owned by certain U.S. persons and by certain non-U.S. entities that are wholly or partially owned by U.S. persons and to withhold on certain payments, or (2) if required under an intergovernmental agreement between the United States and an applicable foreign country, reports such information to its local tax authority, which will exchange such information with the U.S. authorities. An intergovernmental agreement between the United States and an applicable foreign country may modify these requirements. Accordingly, the entity through which our securities are held will affect the determination of whether such withholding is required. Similarly, dividends in respect of our securities held by an investor that is a non-financial non-U.S. entity that does not qualify under certain exceptions will generally be subject to withholding at a rate of 30%, unless such entity either (1) certifies to us or the applicable withholding agent that such entity does not have any "substantial United States owners" or (2) provides certain information regarding the entity's "substantial United States owners," which will in turn be provided to the U.S. Department of Treasury. Withholding under FATCA was scheduled to apply to payments of gross proceeds from the sale or other disposition of property that produces U.S.-source interest or dividends, however, the IRS released proposed regulations that, if finalized in their proposed form, would eliminate the obligation to withhold on such gross proceeds. Although these proposed Treasury Regulations are not final, taxpayers generally may rely on them until final Treasury Regulations are issued. Prospective investors should consult their tax advisors regarding the possible implications of FATCA on their investment in our securities.

Information Reporting and Backup Withholding

Information returns will be filed with the IRS in connection with payments of dividends and the proceeds from a sale or other disposition of our shares of Common Stock and Warrants. A Non-U.S. Holder may have to comply with certification procedures to establish that it is not a United States person in order to avoid information reporting and backup withholding requirements. The certification procedures required to claim a reduced rate of withholding under a treaty generally will satisfy the certification requirements necessary to avoid the backup withholding as well. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a Non-U.S. Holder will be allowed as a credit against such holder's U.S. federal income tax liability and may entitle such holder to a refund, provided that the required information is timely furnished to the IRS.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE IMPORTANT TO YOU. EACH PROSPECTIVE PURCHASER SHOULD CONSULT ITS TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN OUR CLASS A COMMON SHARES AND WARRANTS BASED ON THE INVESTOR'S CIRCUMSTANCES.

EXPERTS

The financial statements of Atlantic Coastal Acquisition Corp. II. as of December 31, 2023 and 2022 and for the years ended December 31, 2022 and 2023 have been audited by Marcum LLP, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere in this proxy statement/prospectus, and are included in reliance on such report given on the authority of such firm as an expert in accounting and auditing.

The consolidated financial statements of Abpro Corporation as of December 31, 2023 and 2022, and for each of the two years in the period ended December 31, 2023, included in the Proxy Statement of Atlantic Coastal Acquisition Corp. II, which is referred to and made part of this proxy statement/prospectus and Registration Statement, have been audited by Wolf & Company, P.C., independent registered public accounting firm, as set forth in their report appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

LEGAL MATTERS

The validity of the securities offered by this prospectus has been passed upon for us by Nelson Mullins Riley & Scarborough LLP, Washington, DC.

CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Effective December 9, 2024, the Company dismissed Marcum LLP ("Marcum") as its independent registered public accounting firm. On December 9, 2024, the Company engaged Wolf & Company, P.C. ("Wolf") as Marcum's replacement. The decision to change independent registered public accounting firms was made with the recommendation and approval of the Audit Committee of the Company.

Marcum's audit reports on the Company's consolidated financial statements as of and for the fiscal years ended December 31, 2023 and December 31, 2022 did not contain an adverse opinion or a disclaimer of opinion and were not qualified or modified as to audit scope or accounting principles, except that such reports expressed substantial doubt regarding the Company's ability to continue as a going concern.

During the fiscal years ended December 31, 2023 and 2022, and the subsequent interim period through the date of this prospectus, there were no disagreements, as that term is defined in Item 304(a)(1)(iv) of Regulation S-K, between the Company and Marcum on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to Marcum's satisfaction, would have caused Marcum to make reference to such disagreements in its audit reports.

During the fiscal years ended December 31, 2023 and 2022, and the subsequent interim period through the date of this prospectus, there were no reportable events within the meaning of Item 304(a)(1)(v) of Regulation S-K, except for the following material weaknesses which the Company identified in its internal control over financial reporting: failure to timely file tax returns, utilizing cash withdrawn from the trust account for tax obligations for operating purposes, and over-accrual of expenses.

During the fiscal years ended December 31, 2023 and 2022, and the subsequent interim period through the date of this prospectus, neither the Company nor anyone acting on our behalf of the Company consulted Wolf with respect to either (i) the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on the Company's consolidated financial statements, and no written report or oral advice was provided to the Company by Wolf that Wolf concluded was an important factor considered by the Company in reaching a decision as to the accounting, auditing or financial reporting issue; or (ii) any matter that was either the subject of a disagreement, as that term is described in Item 304(a)(1)(iv) of Regulation S-K and the related instructions to Item 304 of Regulation S-K, or a reportable event, as that term is defined in Item 304(a) (1)(v) of Regulation S-K.

The Company delivered a copy of this disclosure to Marcum and requested that they furnish the Company a letter addressed to the SEC stating whether they agree with the above statements. In their letter to the SEC dated December 9, 2024, attached as Exhibit 16.1 to the registration statement of which this prospectus forms a part, Marcum states that they agree with the statements above concerning their firm.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of Common Stock offered by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement, some of which is contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our Common Stock and Warrants, we refer you to the registration statement, including the exhibits filed as a part of the registration statement.

Statements contained in this prospectus concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, please see the copy of the contract or document that has been filed. Each statement is this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit. The SEC maintains an Internet website that contains reports, proxy statements and other information about issuers, like us, that file electronically with the SEC. The address of that website is *www.sec.gov*.

INDEX TO FINANCIAL STATEMENTS

ABPRO HOLDINGS, INC.
(F/K/A ATLANTIC COASTAL ACQUISITION CORP. II)
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2024 (unaudited)	December 31, 2023.
ASSETS		
Current assets		
Cash and cash equivalents	$ 13,597	$ 264,538
Prepaid expenses	20,250	—
Due from related party- Abpro	103,000	—
Cash and marketable securities held in Trust Account	1,423,594	29,728,990
Total Current Assets	1,560,441	29,993,528
Cash held in Trust Account	6,297,612	7,372,451
TOTAL ASSETS	**$ 7,858,053**	**$ 37,365,979**
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued expenses	$ 1,739,989	$ 469,268
Excise tax payable	3,076,240	3,062,004
Accrued offering costs	5,000	5,000
Income taxes payable	366,161	308,194
Common stock to be redeemed (126,122 shares of Series A common stock)	1,423,594	29,728,990
Extension promissory note - related party	160,000	160,000
Advance from related parties	2,270,051	1,655,000
Total Current Liabilities	9,041,035	35,388,456
Deferred underwriting fee payable	10,500,000	10,500,000
Total Liabilities	**19,541,035**	**45,888,456**
Commitments (Note 6)		
Series A common stock subject to possible redemption; 541,269 shares issued and outstanding at September 30, 2024 and December 31, 2023 at redemption value of $11.32 and $10.93 per share, respectively	6,127,635	7,292,641
Stockholders' Deficit		
Preferred stock, $0.0001 par value; 1,000,000 shares authorized, none issued and outstanding	—	—
Series A common stock, $0.0001 par value; 100,000,000 shares authorized; 7,499,999 issued outstanding (excluding 667,391 shares subject to possible redemption) as of September 30, 2024 and December 31, 2023, respectively	749	749
Series B common stock, $0.0001 par value; 10,000,000 shares authorized; 1 share issued and outstanding as of September 30, 2024 and December 31, 2023	1	1
Additional paid-in capital	—	—
Accumulated deficit	(17,811,367)	(15,815,868)
Total Stockholders' Deficit	**(17,810,617)**	**(15,815,118)**
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	**$ 7,858,053**	**$ 37,365,979**

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

ABPRO HOLDINGS, INC.
(F/K/A ATLANTIC COASTAL ACQUISITION CORP. II)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Operation and formation costs	$ 391,686	$ 315,247	$ 1,926,428	$ 1,273,146
Loss from operations	**(391,686)**	**(315,247)**	**(1,926,428)**	**(1,273,146)**
Other income:				
Interest income – bank	2,078	25,961	2,964	43,744
Interest earned on marketable securities held in Trust Account	82,162	468,307	258,756	5,279,395
Interest and penalties on tax obligations	—	(127,646)	—	(127,646)
Total other income, net	84,240	366,622	261,720	5,195,493
(Loss) income before provision for income taxes	(307,446)	51,375	(1,664,708)	3,922,347
Provision for income taxes	(27,654)	(96,005)	(57,967)	(1,093,646)
Net (loss) income	**$ (335,100)**	**$ (44,630)**	**$ (1,722,675)**	**$ 2,828,701**
Weighted average shares outstanding, Redeemable Series A common stock	650,940	10,935,691	661,867	18,477,615
Basic and diluted net (loss) income per share, Redeemable Series A common stock	**$ (0.04)**	**$ (0.00)**	**$ (0.21)**	**$ 0.13**
Weighted average shares outstanding, Non Redeemable Series A and Series B common stock	7,500,000	1	7,500,000	2,967,034
Basic and diluted net (loss) income per share, Non Redeemable Series A and Series B common stock	**$ (0.04)**	$ —	**$ (0.21)**	**$ 0.13**

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

ABPRO HOLDINGS, INC.
(F/K/A ATLANTIC COASTAL ACQUISITION CORP. II)
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
(UNAUDITED)

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024

	Series A Common Stock		Series B Common Stock		Additional Paid-in	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Deficit
Balance — December 31, 2023	**7,499,999**	**$ 749**	**1**	**$ 1**	**$ —**	**$ (15,815,868)**	**$ (15,815,118)**
Remeasurement of Series A common stock to redemption amount	—	—	—	—	—	(121,197)	(121,197)
Net loss	—	—	—	—	—	(1,048,724)	(1,048,724)
Balance — March 31, 2024	**7,499,999**	**$ 749**	**1**	**$ 1**	**$ —**	**$ (16,985,789)**	**$ (16,985,039)**
Remeasurement of Series A common stock to redemption amount	—	—	—	—	—	(73,483)	(73,483)
Net loss	—	—	—	—	—	(338,851)	(338,851)
Balance — June 30, 2024	**7,499,999**	**$ 749**	**1**	**$ 1**	**$ —**	**$ (17,398,123)**	**$ (17,397,373)**
Remeasurement of Series A common stock to redemption amount	—	—	—	—	—	(63,908)	(63,908)
Excise tax	—	—	—	—	—	(14,236)	(14,236)
Net loss	—	—	—	—	—	(335,100)	(335,100)
Balance — September 30, 2024	**7,499,999**	**$ 749**	**1**	**$ 1**	**$ —**	**$ (17,811,367)**	**$ (17,810,617)**

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023

	Series A Common Stock		Series B Common Stock		Additional Paid-in	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Deficit
Balance — December 31, 2022	**—**	**$ —**	**7,500,000**	**750**	**$ —**	**$ (11,180,162)**	**$ (11,179,412)**
Remeasurement of Series A common stock to redemption amount	—	—	—	—	—	(2,554,544)	(2,554,544)
Net income	—	—	—	—	—	2,070,528	2,070,528
Balance — March 31, 2023	**—**	**—**	**7,500,000**	**750**	**—**	**(11,664,178)**	**(11,663,428)**
Remeasurement of Series A common stock to redemption amount	—	—	—	—	—	(1,180,703)	(1,180,703)
Stockholder non-redemption agreement	—	—	—	—	1,378,126	—	1,378,126
Stockholder non-redemption agreement	—	—	—	—	(1,378,126)	—	(1,378,126)
Excise tax	—	—	—	—	—	(2,764,714)	(2,764,714)
Conversion of Series Class B shares to Series Class A Non-redeemable shares	7,499,999	749	(7,499,999)	(749)	—	—	—
Net income	—	—	—	—	—	802,803	802,803
Balance — June 30, 2023	**7,499,999**	**$ 749**	**1**	**$ 1**	**$ —**	**$ (14,806,792)**	**$ (14,806,042)**
Remeasurement of Series A common stock to redemption amount	—	—	—	—	—	(207,556)	(207,556)
Net income	—	—	—	—	—	(44,630)	(44,630)
Balance — September 30, 2023	**7,499,999**	**$ 749**	**1**	**$ 1**	**$ —**	**$ (15,058,978)**	**$ (15,058,228)**

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

ABPRO HOLDINGS, INC.
(F/K/A ATLANTIC COASTAL ACQUISITION CORP. II)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the Nine Months Ended September 30,	
	2024	**2023**
Cash Flows from Operating Activities:		
Net (loss) income	$ (1,722,675)	$ 2,828,701
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Interest earned on marketable securities held in Trust Account	(258,756)	(5,279,395)
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(123,250)	272,145
Accrued expenses	1,270,722	(528,026)
Income taxes payable	57,967	1,200,013
Net cash used in operating activities	**(775,992)**	**(1,506,562)**
Cash Flows from Investing Activities:		
Investment of cash into Trust Account	$ (90,000)	$ —
Cash withdrawn from Trust Account to pay franchise and income taxes	—	2,132,269
Cash withdrawn from Trust Account in connection with redemption	29,728,990	276,471,460
Net cash provided by investing activities	**29,638,990**	**278,603,729**
Cash Flows from Financing Activities:		
Advances from related party	$ 615,051	$ —
Payment of offering costs	—	(70,000)
Redemption of common stock	(29,728,990)	(276,471,460)
Net cash used in financing activities	**(29,113,939)**	**(276,541,460)**
Net Change in Cash	**(250,941)**	**555,707**
Cash – Beginning of period	264,538	392,446
Cash – End of period	**$ 13,597**	**$ 948,153**
Non-cash investing and financing activities:		
Remeasurement of carrying value to redemption value	$ 258,588	$ 3,942,803

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

NOTE 1 — ORGANIZATION AND PLAN OF BUSINESS OPERATIONS

Atlantic Coastal Acquisition Corp. II ("ACAB", now known as Abpro Holdings, Inc., "Abpro") (the "Company") is a blank check company incorporated in Delaware on May 20, 2021. The Company was formed for the purpose of effectuating a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or other similar business combination with one or more businesses (a "Business Combination"). The Company is an early stage and emerging growth company and, as such, the Company is subject to all of the risks associated with early stage and emerging growth companies.

Business Combination

On November 12, 2024, ACAB and Abpro completed a series of transactions that resulted in the combination (the "Closing" of the "Business Combination") of ACAB with Abpro Corporation, a Delaware corporation ("Abpro Corporation"), pursuant to the previously announced Business Combination Agreement, dated December 11, 2023, amended by an amendment dated September 4, 2024 (the "BCA"), by and among ACAB, Abpro Merger Sub Corp., a Delaware corporation and a wholly owned subsidiary of ACAB ("Merger Sub"), and Abpro Corporation, following the approval at the special meeting of the shareholders of ACAB held on November 7, 2024 (the "Special Meeting"). On November 12, 2024, pursuant to the BCA, and as described in greater detail in the Company's final prospectus and definitive proxy statement, which was filed with the U.S. Securities and Exchange Commission (the "SEC") on October 18, 2024 (the "Proxy Statement/Prospectus"), Merger Sub merged with and into Abpro Corporation, with Abpro Corporation surviving the merger as a wholly owned subsidiary of ACAB, and ACAB changed its name to Abpro Holdings, Inc. ("New Abpro"). As consideration for the Business Combination, New Abpro issued to or reserved for Abpro Corporation shareholders an aggregate of approximately 50,000,000 shares of New Abpro common stock, par value $0.0001 per share (the "Common Stock"), consisting of 39,413,500 shares of Common Stock issued to Abpro Corporation shareholders, and 10,586,500 shares of Common Stock reserved for issuance in connection with certain Abpro Corporation rollover RSUs and stock options (collectively, the "Merger Consideration"). In addition, New Abpro issued an aggregate of 3,367,401 shares of Common Stock to the PIPE investors (as described below), an aggregate of 1,250,000 shares of Common Stock to vendors in connection with the Closing, and Atlantic Coastal Acquisition Management II LLC (the "Sponsor") forfeited and New Abpro cancelled 966,442 shares of Common Stock (further described below).

Under the Second Amended Articles of Incorporation of ACAB dated November 12, 2024, each of the outstanding shares of ACAB Series A Common Stock and the outstanding share of ACAB Class B Common Stock was exchanged into one share of Common Stock.

Unless otherwise defined herein, capitalized terms used in this Quarterly Report on Form 10-Q have the same meaning as set forth in the Proxy Statement/Prospectus.

In connection with the Special Meeting, ACAB shareholders holding 330,276 shares of ACAB's Series A common stock (the "Public Shares") (after giving effect to the share repurchases by Yorkville as described below) exercised their right to redeem their shares for a pro rata portion of the funds in ACAB's trust account (the "Trust Account"). Prior to the Closing approximately $3,752,627 (approximately $11.36 per Public Share) was removed from the Trust Account to pay such holders.

Following the Closing, Abpro's stockholders shall be issued up to 14,500,000 additional shares of the Post-Combination Company common stock ("Earnout Shares") if, within five calendar years after the closing of the Business Combination, the volume weighted average price of shares of Series A Common Stock on Nasdaq, or any other national securities exchange on which the shares of Series A Common Stock are then traded ("VWAP") meets or exceeds three-tier target prices defined in the agreement, as follows:

a) one-third of the total Earnout Shares, if, the VWAP is greater than or equal to $13.00 over any 20 trading days within any consecutive 30 trading day period (the "First Share Target")

b) one-third of the total Earnout Shares, if, the VWAP is greater than or equal to $15.00 over any 20 trading days within any consecutive 30 trading day period (the "Second Share Target")

c) one-third of the total Earnout Shares, if, the VWAP is greater than or equal to $18.00 over any 20 trading days within any consecutive 30 trading day period (the "Third Share Target").

These shares are contingently issuable upon the achievement of the set market performance targets. Considering the underlying contingent consideration to be transferred are common stocks, and as such is indexed to the Post-Combination Company's own stock and classified in stockholders' equity in the statement of financial position, we deemed the contingent payments under the earnout provisions to qualify for the scope exception in Accounting Standards Codification ("ASC") 815-10-15-74(a). As a result, the contingent consideration obligation will be recognized when the contingency is resolved, and the consideration is paid or becomes payable and has no impact on the pro forma condensed financial statements.

Abpro's 61,009 outstanding common stock warrants expired upon the consummation of the Business Combination.

Concurrently with the execution of the BCA, Abpro and Abpro Bio International, Inc. ("Abpro Bio"), an Abpro stockholder, entered into an agreement (the "Sponsor Share Letter"), pursuant to which Sponsor agreed to, at the Closing Date, (i) retain 2,950,000 shares of Series A Common Stock of ACAB, (ii) retain 291,667 shares, and transfer 983,333 shares to Abpro and 983,333 of the shares Abpro Bio ("Promote Shares"), for such parties to use to obtain non-redemption commitments from SPAC stockholders or other capital for SPAC or the Surviving Corporation (with any shares unused for such purpose to be retained by such party), and (iii) forfeit the remainder of any Series A Common Stock and Series B Common Stock held by Sponsor (or 966,441 Series A shares and 1 Series B shares). It was also agreed in the Sponsor Share Letter that the Sponsor will transfer 200,000 shares to one of ACAB's financial advisors for the services provided prior to the merger date. The transfer of 983,333 shares of ACAB Series A Common Stock to Abpro Bio was reflected in the pro forma condensed financial statements as a part of the recapitalization in conjunction with the Business Combination and this transfer has no financial impact. As it relates to 983,333 shares transferred to Abpro, the corresponding issuance costs will be recorded at the date these shares are transferred to third-party investors against non-redemption or capital commitments. If the 983,333 shares of Series A common stock held by Abpro and 291,667 shares held by the Sponsor are transferred to third-party investors in conjunction with their capital commitments, the maximum related costs to be recorded to additional paid-in capital will be in the amount of approximately $14.3 million (based on the fair value of ACAB's common stock shares of $11.20 per share at September 30, 2024) with the corresponding decrease in the paid-in-capital.

Under the terms of the BCA, at the Closing of the Business Combination, the Sponsor received 600,601 shares of common stock of New Abpro in exchange for the extinguishment of $2,000,000 advances to ACAB by the Sponsor.

On November 14, 2024, pursuant to the previously disclosed Standby Equity Purchase Agreement ("SEPA") dated October 30, 2024 with YA II PN, LTD., New Abpro delivered a Convertible Promissory Note to Yorkville ("Yorkville Note") for $3,000,000, and received net proceeds of $2,755,000. The Yorkville Note has a maturity of November 13, 2025, incurs interest at a rate of 0% (or 18% upon the occurrence of an uncured Event of Default), and is redeemable at the option of New Abpro if the VWAP of New Abpro's Common Stock is less than $11.50. Yorkville has a right to convert any portion of the Yorkville Note at any time at a conversion price per share equal to the lower of (i) 94% of the lowest daily VWAP during the previous 5 consecutive trading days and (ii) $11.50, which may be adjusted downward upon payment of stock dividend, stock split or reclassification, or if New Abpro issues Common Stock for no consideration or at a price lower than the then-effective Fixed Price (as defined in the Yorkville Note).

Business Prior to the Business Combination

As of September 30, 2024, the Company had not yet commenced any operations. All activity for the period May 20, 2021 (inception) through September 30, 2024 relates to the Company's formation, the initial public offering (the "Initial Public Offering"), which is described below, and subsequent to the Initial Public Offering, identifying a target company for a Business Combination. The Company will not generate any operating revenues until after the completion of a Business Combination, at the earliest. The Company will generate 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 Initial Public Offering was declared effective on January 13, 2022. On January 19, 2022, the Company consummated the Initial Public Offering of 30,000,000 units (the "Units" and, with respect to the shares of Series A common stock included in the Units being offered, the "Public Shares"), which includes the partial exercise by the underwriters of its over-allotment option in the amount of 3,900,000 Units at $10.00 per Unit, generating gross proceeds of $300,000,000, which is described in Note 3.

Simultaneously with the closing of the Initial Public Offering, the Company consummated the sale of 13,850,000 warrants (each, a "Private Placement Warrant" and, collectively, the "Private Placement Warrants") at a price of $1.00 per Private Placement Warrant in a private placement to Atlantic Coastal Acquisition Management II LLC (the "Sponsor"), generating gross proceeds of $13,850,000, which is described in Note 4.

Transaction costs amounted to $17,204,107, consisting of $5,760,000 of underwriting fees (net of $240,000 reimbursed by the underwriters), $10,500,000 of deferred underwriting fees, and $944,107 of other offering costs.

Following the closing of the Initial Public Offering on January 19, 2022, an amount of $306,000,000 ($10.20 per Unit) from the net proceeds of the sale of the Units in the Initial Public Offering and the sale of the Private Placement Warrants was placed in a trust account (the "Trust Account"), to be invested in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act of 1940, as amended (the "Investment Company Act"), with a maturity of 185 days or less, or in any open-ended investment company that holds itself out as a money market fund meeting the conditions of Rule 2a-7 of the Investment Company Act, as determined by the Company, until the earlier of: (i) the consummation of a Business Combination or (ii) the distribution of the funds in the Trust Account to the Company's stockholders.

The Company had 15 months from the closing of the Initial Public Offering to complete a Business Combination (the "Combination Period"). If the Company is unable to complete a 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 and not previously released to the Company to pay its tax obligations (less up to $100,000 of interest to pay dissolution expenses), divided by the number of then outstanding Public Shares, which redemption will completely extinguish public stockholders' rights as stockholders (including the right to receive further liquidating distributions, if any), and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the Company's remaining stockholders and the Company's board of directors, dissolve and liquidate, 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. There will be no redemption rights or liquidating distributions with respect to the Company's warrants, which will expire worthless if the Company fails to complete a Business Combination within the Combination Period. On April 18, 2023, the company held the Meeting to approve an extension of time for the Company to consummate a Business Combination from April 19, 2023 to October 19, 2023, subject to additional Extension(s) up to December 19, 2023 upon election by the Sponsor. The extension was approved and a result 26,564,308 shares of the Company's Series A common stock were redeemed at approximately $10.41 per share.

On April 18, 2023, the Sponsor, the Company's independent directors, and Apeiron Investment Group Ltd (collectively, the "Series B Holders") voluntarily converted 7,499,999 shares of Series B common stock of the Company they held as of such date into 7,499,999 shares of Series A common stock of the Company (the "Conversion") in accordance with the amended and restated certificate of incorporation, as amended. With respect to shares of Series A common stock that they received as result of the Conversion, the Series B Holders (i) agreed that they would not vote such stock until after the closing of a Business Combination and (ii) acknowledged that such stock would not be entitled to any distribution from the Company's trust account. As a result of the Conversion and the results of the Meeting described above, the Company has an aggregate of 10,935,691 shares of Series A common stock outstanding and 1 share of Series B common stock (held by the Sponsor) outstanding.

On October 14, 2023 and November 14, 2023, the Company issued non-interest bearing, unsecured promissory notes in the aggregate principal amount of $80,000, respectively, (the "Notes") to the Sponsor. The $80,000 of proceeds was deposited into the Company's trust account in order to extend the amount of time that the Company has available to complete a Business Combination. Upon the closing of a Business Combination by the Company, the Sponsor may elect to either receive repayment under the Notes or to convert all or a portion of the amount loaned under the Notes into Series A common stock of the Company at a price equal to $10.20 per share. In the event that the Company does not complete a Business Combination, the amounts loaned under the Notes will be repaid to the Sponsor only from funds held outside the Trust Account or will be forfeited, eliminated, or otherwise forgiven.

On October 14, 2023, by resolution of the board of directors of the Company, the Company extended the expiration date of the Combination Period from October 19, 2023 to November 19, 2023.

On November 14, 2023, by resolution of the board of directors of the Company, the Company extended the expiration date of the Combination Period from November 19, 2023 to December 19, 2023.

On December 11, 2023, the Company, Abpro Merger Sub Corp., a Delaware corporation, and Abpro Corporation, a Delaware corporation ("Abpro"), entered into a business combination agreement (the "Business Combination Agreement" and the transactions contemplated thereby, the "Merger"). Please see the Current Report on Form 8-K filed on December 12, 2023 for more information on the terms of the Business Combination Agreement, which contains customary representations and warranties, covenants, closing conditions, termination provisions and other terms relating to the Merger.

On December 15, 2023, the company held the Meeting to approve an extension of time for the Company to consummate a Business Combination from December 19, 2023 to March 19, 2024, subject to deposits into the trust account maintained for the benefit of the Company's public stockholders the lesser of (a) $30,000 or (b) $0.045 for each Public Share that is not redeemed in connection with the Meeting. If the Company has not consummated a Business Combination by the Extended Date, the Company may, without another stockholder vote, elect to extend the Extended Date on a monthly basis up to six times by an additional one month each time thereafter, until September 19, 2024. The extension was approved and a result 2,768,301 public shares of Series A common stock exercised and did not reverse, their right to redeem their Public Shares in connection with the vote upon the Charter Amendment Proposal. As a result of the foregoing, those holders will receive a payment of approximately $10.68 per share redeemed. This resulted in $29,728,990 being withdrawn from the trust account and paid to redeeming stockholders. The payment to the redeeming stockholders was processed in January 2024, as such $29,728,990 has been removed from Series A common stock subject to redemption and recorded as common stock to be redeemed.

On January 21, 2024, the Company received a partial waiver from an underwriter from the initial public offering that was entitled to a portion of the deferred underwriter fee. Subject to the closing of the Merger, the underwriter waived $4,290,000 of the underwriter fee in exchange for 600,000 of common stock in the post-merger Company.

On January 22, 2024, the Company issued a press release announcing that it filed a Registration Statement on Form S-4 with the Securities and Exchange Commission ("SEC") on January 19, 2024 in connection with the previously announced Merger.

On April 17, 2024, May 20, 2024, June 26, 2024, July 20, 2024, and September 17, 2024 a $10,000 extension payment was made to extend until May 19, 2024, June 19, 2024, July 19, 2024, August 19, 2024, September 19, 2024 and October 19, 2024, respectively. On April 2, 2024, the Company filed an amendment to its Registration Statement on Form S-4 with the SEC in connection with the previously announced proposed Merger with Abpro Corporation. On April 30, 2024, the Company filed a second amendment to its Registration on Form S-4 with the SEC.

On April 10, 2024, the Company, Polar Multi-Strategy Master Fund (the "Investor"), and the Sponsor entered into a subscription agreement (the "Subscription Agreement") pursuant to which the Investor agreed to provide a capital contribution to the Sponsor in an aggregate amount of up to $360,000 (the "Capital Contribution") in exchange for 1 share of the Company's Series A common stock held by the Sponsor for each $1 invested by the Investor as of the closing of the Company's proposed Merger (the "Closing"), provided that the obligation to make capital contributions will terminate on September 19, 2024. Funds invested by the Investor pursuant to the Subscription Agreement will in turn will be loaned by the Sponsor to the Company on an interest-free basis (the "SPAC Loan") in order to fund the Company's working capital needs and other expenses in connection with the Closing. As of this filing the Company has drawn the full $360,000 available for withdrawal.

Upon the Closing, the Company will pay to the Sponsor the principal amount outstanding under the SPAC Loan. In addition, the Investor will be entitled to receive from the Sponsor an amount equal to the Capital Contribution in cash or shares of the Company's common stock, as determined at the Investor's election (the "Return of Capital"). If the Investor elects to receive the Return of Capital in shares, then the Sponsor will transfer, or the Company (or the surviving entity following the Closing) will issue to the Investor, shares of the Company's common stock at a rate of 1 share for each $10 invested by the Investor as of the Closing.

In the event that the Company or the Sponsor defaults on certain of its obligations under the Subscription Agreement, and such default continues uncured for a period of five business days following written notice by the Investor to the Company and the Sponsor (the "Default Date"), the Company (or the surviving entity following the Closing) will immediately issue to the Investor 36,000 shares of ACAB common stock on the Default Date and will subsequently issue an additional 36,000 shares of the Company's common stock on each monthly anniversary of the Default Date thereafter, until such default is cured.

On April 18, 2024, the Company entered into a promissory note agreement with one of its executives to receive up to $1,475,000 in funding. Between April and July 2024, the Company received the full $1,475,000 in advances from the executive, as of the issuance date of these financial statements. These advances accrue interest at 7.5% per annum through the maturity date and at 9.5% per annum after the maturity date if any amounts then remain outstanding. All advances, plus accrued interest, are due and payable on the earlier of (i) the closing of the Business Combination and (ii) September 19, 2024. This promissory note agreement includes early repayment provisions which state that if in any calendar month prior to the closing of the Merger, the Company receives capital or cash flows from another party, then the executive will be paid 10% of such proceeds prior to any other obligations that the Company may have until the principal and interest have been repaid.

On April 18, 2024, the Company received letters from the Nasdaq Stock Market LLC ("Nasdaq") indicating that (i) the Company was not in compliance with Nasdaq's Listing Rule 5450(b)(1)(B) because the Company has not, as of the fiscal year ended December 31, 2023, maintained a minimum of 1,100,000 publicly held shares, as required under the Nasdaq continued listing standards for The Nasdaq Global Market and (ii) the Company has failed to maintain a minimum market value of publicly held shares of $15,000,000 for the 30 consecutive business day period preceding this letter, as required under Nasdaq Listing Rule 5450(b)(2)(C).

Under Nasdaq Listing Rules, the Company has 45 calendar days to submit a plan to regain compliance with Rule 5450(b)(1)(B) and 180 calendar days to regain compliance with Rule 5450(b)(2)(C). The Company expects that both deficiencies will be cured as a result of the consummation of the proposed Merger with Abpro. On April 23, 2024, the Company submitted its plan of compliance to Nasdaq, where it requested an extension of the compliance period to regain compliance with Rule 5450(b)(1)(B) from 45 calendar days to 180 calendar days, which request was subsequently granted by Nasdaq.

On July 18, 2024, Company, by resolution of the board of directors of the Company, in accordance with the Company's Amended and Restated Certificate of Incorporation (as amended), extended the expiration date of the amount of time that the Company has available to complete a business combination from July 19, 2024 to August 19, 2024.

On July 31, 2024, the Company received notice from the Nasdaq indicating that the Company was not in compliance with Nasdaq's Listing Rule 5450(a) because the Company has failed to maintain a minimum of 400 holders of record and/or beneficial owners for its primary equity securities listed on The Nasdaq Global Market, as required under the Nasdaq continued listing standards for The Nasdaq Global Market.

Under Nasdaq Listing Rules, the Company has 45 calendar days to submit a plan to regain compliance with Listing Rule 5450(a) and may be granted up to 180 calendar days from the date of the notice to regain compliance therewith. The Company plans to submit its plan of compliance to Nasdaq within the required timeframe.

On August 16, 2024, the "Company, by resolution of the board of directors of the Company, in accordance with the Company's Amended and Restated Certificate of Incorporation (as amended), extended the expiration date of the amount of time that the Company has available to complete a business combination from August 19, 2024 to September 19, 2024.

On September 17, 2024, the "Company, by resolution of the board of directors of the Company, in accordance with the Company's Amended and Restated Certificate of Incorporation (as amended), extended the expiration date of the amount of time that the Company has available to complete a business combination from September 19, 2024 to October 19, 2024.

On August 20, 2024, the Company filed a preliminary proxy statement with the SEC to be distributed to holders of the Company's common stock in connection with the Company's solicitation of proxies for a vote by the Company's stockholders with respect to a proposal to amend the Company's Certificate of Incorporation to extend the date by which the Company must complete a Business Combination from September 19, 2024 to October 19, 2024 (the "Termination Date") and to allow the Company, without another stockholder vote, to elect to extend the Termination Date by resolution of the Company's board of directors, if requested by the Sponsor, until November 19, 2024 or a total of up to two months after the Termination Date, unless the closing of a Business Combination shall have occurred prior thereto.

The Company, by resolution of the board of directors of the Company, in accordance with the Company's Amended and Restated Certificate of Incorporation (as amended), extended the expiration date of the amount of time that the Company has available to complete a Business Combination. On April 17, 2024, May 20, 2024, June 26, 2024, July 20, 2024, and September 17, 2024 a $10,000 extension payment was made to extend until May 19, 2024, June 19, 2024, July 19, 2024, August 19, 2024, September 19, 2024, and October 19, 2024. At the closing of the Business Combination $16,238 was withheld and paid to redeeming stockholders for the extension of the Business Combination Period from October 19, 2024 to November 19, 2024.

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), and the rules that have been promulgated thereunder, certain transactions, including the Merger, may not be consummated unless an HSR Notification and Report Form has been furnished to the Antitrust Division of the Department of Justice and by the Federal Trade Commission ("FTC") by each party and certain waiting period requirements have been satisfied. The Merger is subject to these requirements and may not be completed until the expiration of a 30-day waiting period following the two filings of the required Notification and Report Forms with the Antitrust Division and the FTC or until early termination is granted. The Company and Abpro submitted the required HSR notifications to the FTC and the DOJ on April 23, 2024. The statutory waiting period under the HSR Act expired on May 23, 2024.

On August 22, 2024, Atlantic Coastal Acquisition Corp. II entered into the Abpro Bio PIPE Subscription Agreement with Abpro Bio, pursuant to which Abpro Bio agreed to subscribe for and purchase, and ACAB agreed to issue and sell, 622,467 newly-issued shares of Series A common stock, par value $0.0001 per share, the Abpro Bio PIPE Shares substantially concurrently with the Closing, at a price of $10.00 per share, for an aggregate purchase price of $6,224,670. In addition, Abpro Bio will be granted an aggregate of 1,244,934 shares of Series A common stock previously allocated among ACAB and the Company, among others, for the purposes of a PIPE financing, obtaining capital for ACAB or the surviving company of the Business Combination such shares, the Abpro Incentive Shares. Abpro Bio holds an approximately 35% ownership interest the Company and has previously entered into a Collaboration and License Agreement with the Company in January 2020 and, in connection therewith, made a $30 million equity investment in the Company. Additionally, on October 18, 2023, the Company issued a promissory note in the aggregate principal amount of up to $6 million for the benefit of the "company Loan. Part of the purchase price for the Abpro Bio PIPE Shares includes $4,224,663.33 under the Company Loan that shall be forgiven, with the remainder of the purchase price in cash.

On August 22, 2024, ACAB entered into the Celltrion Subscription Agreement and, together with the Abpro Bio PIPE Subscription Agreement, the PIPE Subscription Agreements with Celltrion, pursuant to which Celltrion agreed to subscribe for and purchase, and ACAB agreed to issue and sell, 500,000 newly-issued shares of Series A common stock, par value $0.0001 per share, the Celltrion PIPE Shares substantially concurrently with the Closing, at a price of $10.00 per share, for an aggregate purchase price of $5,000,000. In addition, Celltrion will be granted an aggregate of 1,000,000 the Abpro Incentive Shares granted to Abpro Bio and Celltrion, together with the Abpro Bio PIPE Shares and the Celltrion PIPE Shares, collectively, the "PIPE Shares. Celltrion has previously entered into an exclusive collaboration and license agreement with the Company in September 2022, which was amended in August 2024, and is entitled to certain milestone payments from the Company thereunder.

On August 22, 2024, ACAB and Celltrion entered into the Investor Rights Agreement (the "IRA") in connection with the Celltrion Subscription Agreement, which, among other things, provides for the designation by Celltrion of a director nominee at the next annual meeting of the surviving company following the successful consummation of the Business Combination.

On September 4, 2024, ACAB entered into as amended, the Business Combination Agreement with Abpro and Abpro Merger Sub Corp., pursuant to which 600,601 shares of Series A common stock of the surviving company will be issued at closing to ACAB's sponsor, the Sponsor in lieu of repayment of $2,000,000 of Unpaid SPAC Expenses owed to the Sponsor as a result of advances made by the Sponsor to ACAB.

On September 19, 2024, at a special meeting of the stockholders of Atlantic Coastal Acquisition Corp. II, a Delaware corporation and a special purpose acquisition company whose securities are listed on the Special Meeting, the stockholders approved a proposal to amend the Company's amended and restated certificate of incorporation, as the Charter, to extend the date by which the Company must (i) consummate a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination involving the Company and one or more businesses, (ii) cease its operations if it fails to complete such Business Combination, and (iii) redeem or repurchase 100% of the Company's Series A common stock included as part of the units sold in the Company's initial public offering that was consummated on January 19, 2022 the Public Shares, from the Original Termination Date to the Extended Date, or such earlier date as determined by the Board, provided that the Company's sponsor, Atlantic Coastal Acquisition Management II LLC, a Delaware limited liability company, deposits into the trust account maintained for the benefit of the Company's public stockholders $0.03 for each Public Share that is not redeemed in connection with the Special Meeting. The Company elected to extend the Extended Date on a monthly basis once such monthly extension being hereinafter referred to as an "Additional Charter Extension Date, by resolution of the Board, if requested by the Sponsor, and upon five days' advance notice prior to the Extended Date, until November 19, 2024, or a total of up to two months after the Original Termination Date. The Company, by resolution of the board of directors of the Company, in accordance with the Company's Amended and Restated Certificate of Incorporation (as amended), extended the expiration date of the amount of time that the Company has available to complete a Business Combination to November 19, 2024.

In connection with the special meeting held on September 19, 2024, stockholders holding a total of 126,122 public shares of Series A common stock exercised their right to redeem their public shares, an aggregate of $1,423,594, in connection with the vote upon the Charter Amendment Proposal. As a result of the foregoing, those holders will receive a payment of approximately $11.29 per share redeemed. The payment to the redeeming stockholders was processed in October 2024, as such $1,423,594 has been removed from Series A common stock subject to redemption and recorded as common stock to be redeemed.

Going Concern and Liquidity

At September 30, 2024, the Company had $13,597 in its operating bank accounts and a working capital deficit of $7,480,594.

In connection with the Company's assessment of going concern considerations in accordance with the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 205-40 "Presentation of Financial Statements—Going Concern," management has determined the future viability of the Company is largely dependent on its ability to raise additional capital to finance its operations. The Company expects to seek additional funding through equity and debt financings, collaboration agreements and research grants. Although the Company has been successful in raising capital in the past, there is no assurance that it will be successful in obtaining such additional financing on terms acceptable to the Company, if at all. If the Company is unable to obtain funding, the Company could be forced to delay, reduce or eliminate its research and development programs, product portfolio expansion or commercialization efforts, which could adversely affect its business prospects.

Accordingly, based on the considerations discussed above, management has concluded there is substantial doubt as to the Company's ability to continue as a going concern within one year after the date the condensed consolidated financial statements are issued. If adequate funds are not available, the Company may require initiating steps to slow cash burn, extending the cash runway until financing can be secured. The unaudited condensed consolidated financial statements do not include any adjustments with respect to the carrying amounts of assets and liabilities and their classification that might result from the outcome of this uncertainty.

Risks and Uncertainties

The impact of current conflicts around the globe, including Russia's invasion of Ukraine and the Israel-Hamas war, and related sanctions, on the world economy is not determinable as of the date of these financial statements, and the specific impact on the Company's financial condition, results of operations, and cash flows is also not determinable as of the date of these financial statements.

Inflation Reduction Act of 2022

On August 16, 2022, the Inflation Reduction Act of 2022 (the "IR Act") was signed into federal law. The IR Act provides for, among other things, a new U.S. federal 1% excise tax on certain repurchases of stock by publicly traded U.S. domestic corporations and certain U.S. domestic subsidiaries of publicly traded foreign corporations occurring on or after January 1, 2023. The excise tax is imposed on the repurchasing corporation itself, not its shareholders from which shares are repurchased. The amount of the excise tax is generally 1% of the fair market value of the shares repurchased at the time of the repurchase. However, for purposes of calculating the excise tax, repurchasing corporations are permitted to net the fair market value of certain new stock issuances against the fair market value of stock repurchases during the same taxable year. In addition, certain exceptions apply to the excise tax. The U.S. Department of the Treasury (the "Treasury") has been given authority to provide regulations and other guidance to carry out and prevent the abuse or avoidance of the excise tax.

Any redemption or other repurchase that occurs after December 31, 2022, in connection with a Business Combination, extension vote or otherwise, may be subject to the excise tax. Whether and to what extent the Company would be subject to the excise tax in connection with a Business Combination, extension vote or otherwise would depend on a number of factors, including (i) the fair market value of the redemptions and repurchases in connection with a Business Combination, extension or otherwise, (ii) the structure of a Business Combination, (iii) the nature and amount of any "PIPE" or other equity issuances in connection with a Business Combination (or otherwise issued not in connection with a Business Combination but issued within the same taxable year of a Business Combination) and (iv) the content of regulations and other guidance from the Treasury. In addition, because the excise tax would be payable by the Company and not by the redeeming holder, the mechanics of any required payment of the excise tax have not been determined. The foregoing could cause a reduction in the cash available on hand to complete a Business Combination and impact the Company's ability to complete a Business Combination.

During the second quarter, the IRS issued final regulations with respect to the timing and payment of the excise tax. Pursuant to those regulations, the Company would need to file a return and remit payment for any liability incurred during the period from January 1, 2023 to December 31, 2023 on or before October 31, 2024. The Company has filed the excise tax return and has engaged the IRS in determining a payment plan for the balance.

The Company is unable to pay its obligation in full, as such it will be subject to additional interest and penalties which are currently estimated at 10% interest per annum and a 5% underpayment penalty per month or portion of a month up to 25% of the total liability for any amount that is unpaid from November 1, 2024 until paid in full.

On April 18, 2023, December 13, 2023, and September 27, 2024 the Company's stockholders redeemed 26,564,308 shares of Series A common stock for a total of $276,471,460, redeemed 2,768,301 shares of Series A common stock for a total of $29,728,990, and redeemed 126,122 shares of Series A common stock for a total of $1,423,594. respectively. The Company evaluated the classification and accounting of the stock redemption under ASC 450, "Contingencies". ASC 450 states that when a loss contingency exists the likelihood that the future events will confirm the loss or impairment of an asset or the incurrence of a liability can range from probable to remote. A contingent liability must be reviewed at each reporting period to determine appropriate treatment. The Company evaluated the current status and probability of completing a Business Combination as of December 31, 2023 and determined that a contingent liability should be calculated and recorded. As of September 30, 2024 and December 31, 2023, the Company recorded $3,076,240 and $3,062,004 of excise tax liability calculated as 1% of shares redeemed, respectively.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and in accordance with the instructions to Form 10-Q and Article 8 of Regulation S-X of the SEC. Certain information or footnote disclosures normally included in financial statements prepared in accordance with U.S. 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 consolidated 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 accompanying unaudited condensed consolidated financial statements should be read in conjunction with the Company's Annual Report on Form 10-K as filed with the SEC on March 29, 2024. The interim results for the three and nine months ended September 30, 2024 are not necessarily indicative of the results to be expected for the year ending December 31, 2024 or for any future periods.

Emerging Growth Company

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the independent registered public accounting firm attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and 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 the unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

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

Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiary. All significant intercompany balances and transactions have been eliminated in consolidation.

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, 2024 and December 31, 2023. The Company had $13,597 and $264,538 in cash at September 30, 2024 and December 31, 2023, respectively.

Cash and Marketable Securities Held in Trust Account

At September 30, 2024 and December 31, 2023, all of the Company's investments held in the Trust Account are invested in cash.

As of March 31, 2024, the Company had spent approximately $260,000 of cash for operating expenses with funds related to amounts previously withdrawn from the trust account to pay tax obligations. On May 31, 2024 and June 1, 2024, the Sponsor advanced the Company $245,000 and $25,000, respectively, to fund the account for the funds used in operations.

As of September 30, 2024, the Company had spent approximately $260,000 of cash for operating expenses with funds related to amounts previously withdrawn from the trust account to pay tax obligations.

To mitigate the risk of us being deemed to have been operating as an unregistered investment company (including under the subjective test of Section 3(a)(1)(A) of the Investment Company Act), the Company instructed the Trustee in December 29, 2023 to liquidate the U.S. government securities or money market funds held in the Trust Account and thereafter to hold all funds in the Trust Account in cash (which may include demand deposit accounts) until the earlier of consummation of our Business Combination or liquidation.

Series A Common Stock Subject to Possible Redemption

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

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

As of September 30, 2024 and December 31, 2023, the Series A common stock reflected in the unaudited condensed consolidated balance sheet are reconciled in the following table:

Gross proceeds	$	300,000,000
Less:		
Proceeds allocated to Public Warrants		(8,100,000)
Series A common stock issuance costs		(16,699,058)
Plus:		
Remeasurement of carrying value to redemption value		33,896,988
Series A common stock subject to possible redemption, December 31, 2022	**$**	**309,097,930**
Less:		
Redemption		(276,471,460)
Redemptions (redeemed in December 2023, paid in January 2024)		(29,728,990)
Plus:		
Remeasurement of carrying value to redemption value		4,395,161
Series A common stock subject to possible redemption, December 31, 2023	**$**	**7,292,641**
Plus:		
Remeasurement of carrying value to redemption value		121,197
Series A common stock subject to possible redemption, March 31, 2024	**$**	**7,413,838**
Plus:		
Remeasurement of carrying value to redemption value		73,483
Series A common stock subject to possible redemption, June 30, 2024	**$**	**7,487,321**
Less:		
Redemptions (redeemed in September 2024, paid in October 2024)		**(1,423,594)**
Plus:		
Remeasurement of carrying value to redemption value		63,908
Series A common stock subject to possible redemption, September 30, 2024	**$**	**6,127,635**

Deferred Offering Costs

The Company complies with the requirements of the ASC 340-10-S99-1 and SEC Staff Accounting Bulletin ("SAB") Topic 5A— "Expenses of Offering". Offering costs consist principally of professional and registration fees incurred through the balance sheet date that are related to the Initial Public Offering. Offering costs are allocated based on the relative value of the Public and Private Warrants to the proceeds received from the Public Shares sold in the Initial Public Offering. Offering costs allocated to the Public Shares are charged to temporary equity and offering costs allocated to the Public and Private Warrants are charged to stockholder's equity. As of January 19, 2022, offering costs in the aggregate of $17,204,107, of which an aggregate of $16,699,058 have been charged to temporary equity and an aggregate of $505,049 have been charged to stockholders' equity.

As of September 30, 2024 and December 31, 2023, there were no deferred offering costs recorded in the accompanying condensed consolidated balance sheets respectively.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of a cash account in a financial institution, which, at times, may exceed the Federal Deposit Insurance Corporation coverage of $250,000. The Company has not experienced losses on this account and management believes the Company is not exposed to significant risks on such account.

Income Taxes

The Company accounts for income taxes under ASC 740, "Income Taxes." ASC 740 requires the recognition of deferred tax assets and liabilities for both the expected impact of differences between the unaudited condensed financial statements and tax basis of assets and liabilities and for the expected future tax benefit to be derived from tax loss and tax credit carryforwards. ASC 740 additionally requires a valuation allowance to be established when it is more likely than not that all or a portion of deferred tax assets will not be realized. As of September 30, 2024 and December 31, 2023, the Company's deferred tax asset had a full valuation allowance recorded against it. Our effective tax rate was 8.99% and 186.87% for the three months ended September 30, 2024 and 2023, respectively, and 3.48% and 27.88% for the nine months ended September 30, 2024 and 2023, respectively. The effective tax rate differs from the statutory tax rate of 21% for the three and nine months ended September 30, 2024 and 2023, due to changes in the valuation allowance on the deferred tax assets, a prior year true up and non-deductible M&A costs.

While ASC 740 identifies usage of an effective annual tax rate for purposes of an interim provision, it does allow for estimating individual elements in the current period if they are significant, unusual or infrequent. Computing the effective tax rate for the Company is complicated due to the potential impact of the timing of any Business Combination expenses and the actual interest income that will be recognized during the year. The Company has taken a position as to the calculation of income tax expense in a current period based on ASC 740-270-25-3 which states, "If an entity is unable to estimate a part of its ordinary income (or loss) or the related tax (benefit) but is otherwise able to make a reasonable estimate, the tax (or benefit) applicable to the item that cannot be estimated shall be reported in the interim period in which the item is reported." The Company believes its calculation to be a reliable estimate and allows it to properly take into account the usual elements that can impact its annualized book income and its impact on the effective tax rate. As such, the Company is computing its taxable income (loss) and associated income tax provision based on actual results through September 30, 2024.

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 income taxes and unrecognized tax benefits as income tax expense. There were no unrecognized tax benefits as of September 30, 2024 and December 31, 2023. During the three and nine months ended September 30, 2024, the Company's provision for income taxes include a $3,224 true up for interest and penalties. 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 taxation by major taxing authorities since inception. These 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.

Net (Loss) Income per Common Share

The Company complies with accounting and disclosure requirements of FASB ASC Topic 260, "Earnings Per Share". Net (loss) income per common stock is computed by dividing net (loss) income by the weighted average number of common stock outstanding for the period. Accretion associated with the redeemable shares of Series A common stock is excluded from earnings per share as the redemption value approximates fair value.

The calculation of diluted (loss) income per share does not consider the effect of the warrants issued in connection with the (i) Initial Public Offering, and (ii) the private placement since the exercise of the warrants is contingent upon the occurrence of future events. The warrants are exercisable to purchase 28,850,000 Series A common stock in the aggregate. As of September 30, 2024 and 2023, the Company did not have any dilutive securities or other contracts that could, potentially, be exercised or converted into common stock and then share in the earnings of the Company. As a result, diluted net (loss) income per common stock is the same as basic net (loss) income per common stock for the periods presented.

The following table reflects the calculation of basic and diluted net (loss) income per common stock (in dollars, except per share amounts):

	For the Three Months Ended September 30,			
	2024		2023	
	Redeemable Series A	Non redeemable Series A and Series B	Redeemable Series A	Non redeemable Series A and Series B
Basic and diluted net (loss) income per common stock				
Numerator:				
Allocation of net (loss) income, as adjusted	$ (26,761)	$ (308,339)	$ (44,630)	$ —
Denominator:				
Basic and diluted weighted average shares outstanding	650,940	7,500,000	10,935,691	—
Basic and diluted net (loss) income per common stock	$ (0.04)	$ (0.04)	$ (0.00)	$ —

	For the Nine Months Ended September 30,			
	2024		2023	
	Redeemable Series A	Non redeemable Series A and Series B	Redeemable Series A	Non redeemable Series A and Series B
Basic and diluted net (loss) income per common stock				
Numerator:				
Allocation of net (loss) income, as adjusted	$ (139,696)	$ (1,582,979)	$ 2,437,328	$ 391,373
Denominator:				
Basic and diluted weighted average shares outstanding	661,867	7,500,000	18,477,615	2,967,034
Basic and diluted net (loss) income per common stock	$ (0.21)	$ (0.21)	$ 0.13	$ 0.13

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 unaudited condensed consolidated balance sheet, primarily due to their short-term nature.

Derivative Financial Instruments

The Company evaluated its financial statements to determine if such instruments are derivatives or contain features that qualify as embedded derivatives in accordance with FASB ASC Topic 815, "Derivatives and Hedging." For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at fair value on the grant date and re-valued at each reporting date, with changes in the fair value reported in the statements of operations. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative assets and liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement or conversion of the instruments could be required within 12 months of the balance sheet date. The Company accounted for the warrants issued in connection with the Initial Public Offering and the private placement as equity under the guidance at FASB ASC Topic 815.

Warrants

We account for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in ASC 480 and ASC 815, "Derivatives and Hedging". The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to our own ordinary shares, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent reporting period date while the warrants are outstanding. Based on our assessment of the guidance, our warrants meet the criteria for equity classification and are recorded within stockholders' equity.

Share-based Compensation

The Company adopted ASC Topic 718, "Compensation—Stock Compensation," guidance to account for its share-based compensation. It defines a fair value-based method of accounting for an employee share option or similar equity instrument. The Company recognizes all forms of share-based payments, including share option grants, warrants and restricted share grants, at their fair value on the grant date, which are based on the estimated number of awards that are ultimately expected to vest. Share-based payments, excluding restricted shares, are valued using a Black-Scholes option pricing model. Grants of share-based payment awards issued to nonemployees for services rendered have been recorded at the fair value of the share-based payment, which is the more readily determinable value. The grants are amortized on a straight-line basis over the requisite service periods, which is generally the vesting period. If an award is granted, but vesting does not occur, any previously recognized compensation cost is reversed in the period related to the termination of service. Share-based compensation expenses are included in costs and operating expenses depending on the nature of the services provided in the statements of operations.

Recent Accounting Standards

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09"), which will require the Company to disclose specified additional information in its income tax rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. ASU 2023-09 will also require the Company to disaggregate its income taxes paid disclosure by federal, state and foreign taxes, with further disaggregation required for significant individual jurisdictions. ASU 2023-09 will become effective for Annual periods beginning after December 15, 2024. The adoption of ASU 2023-09 will not have a material impact on the Company's financial statements.

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

NOTE 3. INITIAL PUBLIC OFFERING

Pursuant to the Initial Public Offering, the Company sold 30,000,000 Units, which include the partial exercise by the underwriters of their over-allotment option in the amount of 3,900,000 units, at a purchase price of $10.00 per Unit. Each Unit consists of one share of the Company's Series A common stock and one-half of one redeemable warrant ("Public Warrant"). Each Public Warrant entitles the holder to purchase one share of Series A common stock at an exercise price of $11.50 per whole share (see Note 7).

NOTE 4. PRIVATE PLACEMENT

Simultaneously with the closing of the Initial Public Offering, the Sponsor purchased an aggregate of 13,850,000 Private Placement Warrants at a price of $1.00 per Private Placement Warrant, for an aggregate purchase price of $13,850,000, in a private placement. Each Private Placement Warrant is exercisable to purchase one Series A common stock at a price of $11.50 per share, subject to adjustments (see Note 7). A portion of the proceeds from the Private Placement Warrants was added to the proceeds from the Initial Public Offering held in the Trust Account. If the Company does not complete a Business Combination within the Combination Period, the proceeds from the sale of the Private Placement Warrants will be used to fund the redemption of the Public Shares (subject to the requirements of applicable law) and the Private Placement Warrants will expire worthless.

NOTE 5. RELATED PARTY TRANSACTIONS

Founder Shares

On October 25, 2021, the Sponsor paid $25,000 to cover certain offering costs of the Company in consideration for 7,187,500 shares of Series B common stock (the "Founder Shares"). On January 13, 2022, the Company effectuated a 1.044-for-1 stock split, resulting in an aggregate of 7,503,750 Founder Shares outstanding (see Note 7). Due to the underwriters' election to partially exercise their overallotment option, 3,750 shares were forfeited.

The Sponsor, founders, executive officers and directors have agreed, subject to certain limited exceptions, not to transfer, assign or sell any of the Founder Shares until one year after the completion of a Business Combination that results in all of the Company's stockholders having the right to exchange their Series A common stock for cash, securities, or other property (except with respect to permitted transferees). Notwithstanding the foregoing, (x) if the last reported sale price of the Series A common stock equals or exceeds $12.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after a Business Combination, or (y) the date on which the Company completes a liquidation, merger, capital stock exchange or other similar transaction that results in all of the Company's stockholders having the right to exchange their shares of common stock for cash, securities or other property, then such securities will be released from these restrictions. Any permitted transferees would be subject to the same restrictions and other agreements of the founders with respect to any Founder Shares.

On October 25, 2021, the Sponsor transferred 250,000 Founder Shares to five director nominees (50,000 shares to each director nominee) for no consideration, to serve in his or her capacity as an independent director of the Company. The Company assigned the number of shares of Series B common stock of the Company, par value $0.0001 per share. The transfer of the Founders Shares to five director nominees is within the scope of FASB ASC Topic 718, "Compensation-Stock Compensation" ("ASC 718"). Under ASC 718, stock-based compensation associated with equity-classified awards is measured at fair value upon the grant date and expensed when earned. Shares granted to these directors are forfeited if their status as director is terminated for any reason prior to the date of a Business Combination and, as such, there has been no stock-based compensation expense recognized in the accompanying financial statements.

On December 1, 2021, the Company and Apeiron Investment Group Ltd. ("Apeiron") entered into an Agreement to which Apeiron will serve as an advisor to the Company in connection with identifying one or more businesses with which the Company may effectuate a Business Combination. As consideration for Apeiron's willingness to provide the service set forth in the Agreement, the Sponsor shall pay or transfer to Apeiron (or its designee) on behalf of the Company anon-refundable fee in the form of 50,000 shares of the Company's Series B common stock ("Fee Shares"). The transfer of the Founder Shares to Apeiron is not directly related to or in connection with the Initial Public Offering and not within the scope of offering costs as defined in Note 2. The transfer of the Fee Shares is in the scope of FASB ASC Topic 718, "Compensation-Stock Compensation" ("ASC 718"). Under ASC 718, stock-based compensation associated with equity-classified awards is measured at fair value upon the grant date. The fair value of the 50,000 Fee Shares granted to Apeiron was $362,500 or $7.25 per share. The Founders Shares were granted subject to a performance condition (i.e., the closing date of the Initial Public Offering). Compensation expense related to the Founders Shares is recognized only when the performance condition is probable of occurrence under the applicable accounting literature in this circumstance. As of December 31, 2022, the Company recognized $362,500 in the operations as stock-based compensation expense as the Company determined that the performance condition has been met at the date of issuance/closing of the Initial Public Offering.

On August 16, 2024, ACAB advanced Abpro $103,000 in connection with a promissory note ("August note") entered into between Abpro and Shahraab Ahmad on August 16, 2024 for expenses related to the Business Combination, whereas Shahraab Ahmad would receive repayment of $206,000. The August Note was cancelled and replaced with a promissory note to ACAB providing for the payment of $103,000 principal on the Closing Date. As such the Company has recorded a due from related party - Abpro on the condensed consolidated balance sheets for the three and nine months ended September 30, 2024 in the amount of $103,000.

Working Capital Loans

In order to finance transaction costs in connection with a Business Combination, the Sponsor has committed to advance the Company up to $1,750,000 to fund the expenses relating to investigating and selecting a target business and other working capital requirements after the Initial Public Offering and prior to a Business Combination. In addition, our Sponsor, or certain of our officers and directors or their affiliates may, but are not obligated to, loan us additional funds as may be required. If the Company consummated a Business Combination, the Company would repay the Working Capital Loans. In the event that a Business Combination does not close, the Company may use a portion of proceeds held outside the Trust Account to repay the Working Capital Loans, but no proceeds held in the Trust Account would be used to repay the Working Capital Loans. Up to $1,500,000 of such Working Capital Loans may be convertible into additional warrants of the post-Business Combination entity at a price of $1.00 per warrant at the option of the lender. The warrants would be identical to the Private Placement Warrants. Prior to the completion of the Business Combination, the Company does not expect to seek loans from parties other than the Sponsor or its affiliates as the Company does not believe third parties will be willing to loan such funds and provide a waiver against any and all rights to seek access to funds in the Trust Account. There are no Working Capital Loans outstanding as of September 30, 2024 and December 31, 2023.

Extension Promissory Notes — Related Party

On October 14, 2023 and November 14, 2023, the Company issued non-interest bearing, unsecured promissory notes in the principal amount of $80,000, respectively, (the "Extension Promissory Notes") to the Sponsor. The $80,000 of cash proceeds was deposited into the Company's trust account in order to extend the amount of time that the Company has available to complete a Business Combination. Upon the closing of a Business Combination by the Company, the Sponsor may elect to either receive repayment under the Notes or to convert all or a portion of the amount loaned under the Extension Promissory Notes into Series A common stock of the Company at a price equal to $10.20 per share. In the event that the Company does not complete a Business Combination, the amounts loaned under the Extension Promissory Notes will be repaid to the Sponsor only from funds held outside the Trust Account or will be forfeited, eliminated, or otherwise forgiven. As of September 30, 2024 and December 31, 2023, the Company owed $160,000 under the Extension Promissory Notes with no further borrowings available.

On December 18, 2023, the Company amended the Extension Promissory Notes to remove the Sponsors right to convert the note into Series A common stock at a price equal to $10.20 per share.

Expense Advancement Agreement

On May 30, 2024, the Company and the Sponsor entered into an expense advancement agreement (the "Expense Advancement Agreement"), pursuant to which the Sponsor has agreed to advance to the Company up to $600,000 in the aggregate, including previous amounts advanced from the Sponsor to the Company, on an interest-free basis as may be necessary to cover working capital expenses, fund certain redemptions of the Company's common stock and cover costs and expenses in connection with the consummation of the Company's proposed business combination with. Each advance under the Expense Advancement Agreement will be evidenced by a promissory note, the form of which is included as an exhibit to the Expense Advancement Agreement. This agreement replaces the previous Extension Promissory Notes in the aggregate amount of $160,000. The Expense Advance Agreement as of this filing has borrowed $160,000, with $440,000 available for withdrawal.

As of September 30, 2024 and December 31, 2023, the Sponsor advanced the Company $2,270,051 and $1,655,000, respectively, and is reflected in the condensed consolidated balance sheets.

NOTE 6. COMMITMENTS

Registration Rights

Pursuant to a registration rights agreement entered into on January 13, 2022, the holders of the Founder Shares, Private Placement Warrants, and any Private Placement Warrants that may be issued upon conversion of the Working Capital Loans (and any Series A common stock issuable upon the exercise of the Private Placement Warrants and warrants that may be issued upon conversion of Working Capital Loans and conversion of Founder Shares) will be entitled to registration rights. The holders of these securities will be entitled to make up to three demands, excluding short form registration demands, that the Company register such securities. In addition, the holders have certain "piggy-back" registration rights with respect to registration statements filed subsequent to the completion of a Business Combination and rights to require the Company to register for resale such securities pursuant to Rule 415 under the Securities Act. However, the registration rights agreement provides that the Company will not be required to effect or permit any registration or cause any registration statement to become effective until termination of the applicable lock-up period. The registration rights agreement does not contain liquidated damages or other cash settlement provisions resulting from delays in registering the Company's securities. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

Underwriting Agreement

The underwriters were entitled to a cash underwriting discount of $0.20 per Unit, or $6,000,000 in the aggregate, paid on the closing of the Initial Public Offering. In addition, the underwriters are entitled to a deferred fee of $0.35 per Unit, or $10,500,000 in the aggregate. The deferred fee will become payable to the underwriter from the amounts held in the Trust Account solely in the event that the Company completes a Business Combination, subject to the terms of the underwriting agreement.

On January 21, 2024, the Company received a partial waiver from an underwriter from the initial public offering that was entitled to a portion of the deferred underwriter fee. Subject to the closing of the Business Combination between the Company and Abpro, the underwriter waived $4,290,000 of the underwriter fee in exchange for 600,000 of common stock in the post-merger Company.

Advisors

On January 7, 2022, the Company and Farvahar Capital ("Farvahar") entered into an agreement under which Farvahar served as an advisor to the Company in connection with the Initial Public Offering. Farvahar was engaged to represent the Company's interests only and is independent of the underwriters. The underwriters reimbursed the Company for the fees payable to Farvahar in respect of the provision of such advisory services. The Company agreed to pay Farvahar a fee of 0.08% of the gross proceeds of the Initial Public Offering, including any exercise of the underwriters' overallotment option with respect to the Initial Public Offering or $240,000 in the aggregate. Farvahar did not act as an underwriter in connection with the Initial Public Offering; it did not identify or solicit potential investors in the Initial Public Offering. As of December 31, 2022, the Company received the reimbursement from the underwriters and paid Farvahar.

Capital Market Advisor

On April 11, 2023, the Company entered into a services agreement with an advisor. The advisor will provide advisory services as it pertains to a Business Combination. Upon the closing of a Business Combination the advisor will be paid a fee for their services. All consideration is to be paid simultaneously with the closing of a Business Combination.

On January 11, 2024, the Company entered into an amended engagement letter with the advisor pursuant to which the Company engaged the advisor to act as its capital markets advisor in connection with an initial business combination, in exchange for the right to receive (i) 200,000 Founder Shares, such shares to be delivered following the closing of a Business Combination and (ii) a transaction fee in connection with any such offering involving the advisor equal to 4% of the gross proceeds raised in connection with such offering, subject to the terms of the amended engagement letter. The amended engagement letter with the advisor supersedes and replaces the prior engagement letter entered into on April 11, 2023.

Non-Redemption Agreement

On or about April 4, 2023, the Company and the Sponsor entered into agreements("Non-Redemption Agreements") with several unaffiliated third parties in exchange for them agreeing not to redeem an aggregate of 3,300,900 shares ("Non-Redeemed Shares") of the Company's Public Shares at the special meeting called by the Company (the "Meeting") to approve an extension of time for the Company to consummate a Business Combination (the "Charter Amendment Proposal") from April 19, 2023 to October 19, 2023 (an "Extension"), subject to additional Extension(s) up to December 19, 2023 upon election by the Sponsor. In exchange for the foregoing commitments not to redeem such shares, the Sponsor has agreed to transfer to such investors an aggregate of 825,225 shares of the Company held by the Sponsor immediately following consummation of Business Combination if they continued to hold such Non-Redeemed Shares through the Meeting.

Business Combination Agreement

On December 11, 2023, the Company, Merger Sub, and Abpro, entered into the Business Combination Agreement.

Pursuant to the Business Combination Agreement, on the Closing Date (as defined in the Business Combination Agreement), Merger Sub, a newly formed, wholly-owned direct subsidiary of the Company, will be merged with and into the Abpro (the "together with the other transactions related thereto, the "Merger"), with the Abpro surviving the Merger as a wholly-owned direct subsidiary of the Company (the "Surviving Company"). In connection with the consummation of the Merger, the Company will change its corporate name to "Abpro Corporation". The respective boards of directors of the Company and Abpro have duly approved the Business Combination Agreement and the transactions contemplated thereby.

Immediately prior to the effective time of the Merger (the "Effective Time"), Abpro will cause (i) all outstanding Abpro convertible notes to be converted into shares of Company Common Stock, (ii) all outstanding Abpro warrants to acquire equity securities of the Company to be converted into a number of shares of shares of Company Common Stock and (iii) the Abpro Preferred Shares (including those shares resulting from the convertible notes conversion and warrant conversion) that are issued and outstanding immediately prior to the Effective Time to be converted into shares of Abpro Common Stock.

Conditions to closing

The obligations of the Company and Abpro to consummate the Merger are subject to certain closing conditions, including, but not limited to, (i) the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, (ii) the absence of any law or governmental order or other legal restraint or prohibition preventing the consummation of the Merger, (iii) the Registration Statement being declared effective under the Securities Act, (iv) the ACAB New Common Shares to be issued in connection with the Merger having been approved for listing on Nasdaq, (v) the approval of certain of the Company Proposals by the Company's stockholders, (vi) obtaining the Abpro written consent approving the Merger; (vii) the Company having at least $5,000,001 of net tangible assets (as determined in accordance with Rule 3a51-1(g)(1) of the Exchange Act) remaining after the Closing; and (viii) the Company arranging for binding commitments of at least $8.7 million in available closing cash consisting of funds in the Trust Account (after reduction for payments made in connection with redemptions by the Company stockholders) plus any funds available pursuant to a PIPE Financing, forward purchase agreement, equity line of credit, convertible note financing and other sources of financing, less any Unpaid SPAC Expenses, as described in the Business Combination Agreement, subject to the Abpro's waiver of such amount.

Sponsor Letter Agreement

On December 11, 2023, the Sponsor entered into an agreement with the Company, the Abpro and Abpro Bio Co., Ltd (the "Sponsor Letter Agreement"), whereby Sponsor agrees to (i) retain 2.95 million shares of the Company's Series A common stock held by it, (ii) divide 2,458,333 shares of the Company's Series A Common Stock held by it among the Sponsor, who will be entitled to 491,667 of the shares, Abpro, who will be entitled to 983,333 of the shares, and Abpro Bio Co., Ltd, who will be entitled to 983,333 of the shares, for such party to use to obtain non-redemption commitments from the Company's stockholders or other capital for ACAB or the Surviving Company (with any shares unused for such purpose to be retained by such party) and (ii) forfeit the remainder of any the Company's Series A common stock and the Company's Series B common stock held by it.

On January 18, 2024, the Sponsor, the Company, Abpro and Abpro Bio entered into an amendment to the Sponsor Letter Agreement (the "Amended Sponsor Letter Agreement"), which amended the amount of shares each party thereunder is entitled to, consistent with the description previously disclosed on December 11, 2023 and as contemplated in the Business Combination Agreement, dated as of December 11, 2023, by and among the Company, Abpro Merger Sub, and Abpro. For the avoidance of doubt, the Amended Sponsor Letter Agreement supersedes and replaces the Sponsor Letter Agreement in its entirety.

Sponsor Support Agreement

On December 11, 2023, the Company, Abpro and the Sponsor entered into the Sponsor Support Agreement pursuant to which the Sponsor agreed to, among other things, vote all of its shares of the Company's Series A common shares and the Company's Series B common shares held by it, whether now owned or hereafter acquired, (i) in favor of the approval and adoption of the Business Combination Agreement and the transactions contemplated thereby, and (ii) against any proposal, action or agreement that would impede, interfere with, delay, postpone or discourage any provision of the Sponsor Support Agreement, the Business Combination Agreement or the transactions contemplated thereby. In addition, in the Sponsor Support Agreement, the Sponsor agrees to waive, and not to assert or perfect, among other things, any rights to adjustment or other anti-dilution protections with respect to the rate at which the shares of the Company's Series B common stock held by the Sponsor convert into shares of the Company's Series A common stock in connection with the transactions contemplated by the Business Combination Agreement.

NOTE 7. STOCKHOLDERS' DEFICIT

Preferred Stock —The Company is authorized to issue 1,000,000 shares of $0.0001 par value preferred stock. At September 30, 2024 and December 31, 2023, there were no shares of preferred stock issued or outstanding.

Series A Common Stock —The Company is authorized to issue up to 100,000,000 shares of Series A, $0.0001 par value common stock. Holders of the Company's common stock are entitled to one vote for each share. At September 30, 2024 and December 31, 2023, there were 7,499,999 shares of Series A common stock issued and outstanding, excluding 541,269 and 667,391 shares subject to possible redemption, respectively.

Series B Common Stock —The Company is authorized to issue up to 10,000,000 shares of Series B, $0.0001 par value common stock. Holders of the Company's common stock are entitled to one vote for each share. At December 31, 2022, there were 7,500,000 shares of Series B common stock issued and outstanding, of which an aggregate of up to 978,500 shares were subject to forfeiture to the extent that the underwriters' over-allotment option was not exercised in full or in part so that the Initial Stockholders will own 20% of the Company's issued and outstanding common stock after the Initial Public Offering (assuming Initial Stockholders do not purchase any Public Shares in the Initial Public Offering). On January 13, 2022, the Company effectuated a 1.044-for-1 stock split, resulting in an aggregate of 7,503,750 Founder Shares outstanding. Due to the underwriters' election to partially exercise their overallotment option, 3,750 shares were forfeited, 1 Series B common stock are issued and outstanding at September 30, 2024 and December 31, 2023.

Holders of Series A common stock and Series B common stock will vote together as a single class on all other matters submitted to a vote of stockholders, except as required by law.

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

Warrants —As of September 30, 2024 and December 31, 2023, there are 15,000,000 outstanding Public Warrants. Public Warrants may only be exercised for a whole number of shares. No fractional shares will be issued upon exercise of the Public Warrants. The Public Warrants will become exercisable on the later of (a) 30 days after the consummation of a Business Combination or (b) 12 months from the closing of the Initial Public Offering, provided in each case that there is an effective registration statement under the Securities Act covering the Series 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 public 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 Public Warrants will expire five years from the consummation of a Business Combination or earlier upon redemption or liquidation.

The Company will not be obligated to deliver any Series A common stock pursuant to the exercise of a Public Warrant and will have no obligation to settle such Public Warrant exercise unless a registration statement under the Securities Act covering the issuance of the Series A common stock issuable upon exercise of the Public Warrants is then effective and a prospectus relating thereto is current, subject to the Company satisfying its obligations with respect to registration. No warrant will be exercisable, and the Company will not be obligated to issue shares of Series A common stock upon exercise of a warrant unless Series A common stock issuable upon such warrant exercise has been registered, qualified or deemed to be exempt under the securities laws of the state of residence of the registered holder of the warrants.

The Company has agreed that as soon as practicable, but in no event later than 20 business days after the closing of a Business Combination, it will use its commercially reasonable efforts to file with the SEC a registration statement covering the issuance, under the Securities Act, of the Series A common stock issuable upon exercise of the warrants. The Company will use its commercially reasonable efforts to cause the same to become effective within 60 business days after the closing of a Business Combination and to maintain the effectiveness of such registration statement, and a current prospectus relating thereto, until the expiration of the warrants in accordance with the provisions of the warrant agreement. If any such registration statement has not been declared effective by the 60th business day following the closing of a Business Combination, holders of the warrants will have the right, during the period beginning on the 61st business day after the closing of a Business Combination and ending upon such registration statement being declared effective by the SEC, and during any other period when the Company fails to have maintained an effective registration statement covering the issuance of the shares of Series A common stock issuable upon exercise of the warrants, to exercise such warrants on a "cashless basis." Notwithstanding the above, if the shares of Series 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 elect, the Company will not be required to file or maintain in effect a registration statement, but will use its commercially reasonable efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available.

Once the warrants become exercisable, the Company may redeem the Public Warrants:

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

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

If the Company calls the Public Warrants for redemption, management will have the option to require all holders that wish to exercise the Public Warrants to do so on a "cashless basis," as described in the warrant agreement. The exercise price and number of shares of Series A common stock issuable upon exercise of the warrants may be adjusted in certain circumstances including in the event of a stock dividend, or recapitalization, reorganization, merger or consolidation. However, except as described below, the warrants will not be adjusted for issuance of Series A common stock at a price below its exercise price. Additionally, in no event will the Company be required to net cash settle the warrants. If the Company is unable to complete a Business Combination within the Combination Period and the Company liquidates the funds held in the Trust Account, holders of warrants will not receive any of such funds with respect to their warrants, nor will they receive any distribution from the Company's assets held outside of the Trust Account with the respect to such warrants. Accordingly, the warrants may expire worthless.

In addition, if (x) the Company issues additional shares of Series A common stock or equity-linked securities, for capital raising purposes in connection with the closing of a Business Combination at an issue price or effective issue price of less than $9.20 per share of Series A 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 Sponsor or its affiliates, without taking into account any Founder Shares held by the Sponsor or its affiliates, as applicable, prior to such issuance) (the "Newly Issued Price"), (y) the aggregate gross proceeds from such issuances represent more than 60% of the total equity proceeds, and interest thereon, available for the funding of a Business Combination on the date of the completion of a Business Combination (net of redemptions), and (z) the volume weighted average trading price of the Company's Series A common stock during the 20 trading day period starting on the trading day after the day on which the Company completes a Business Combination (such price, the "Market Value") is below $9.20 per share, the exercise price of the warrants will be adjusted (to the nearest cent) to be equal to 115% of the greater of the Market Value and the Newly Issued Price, and the $18.00 per share redemption trigger price will be adjusted (to the nearest cent) to be equal to 180% of the greater of the Market Value and the Newly Issued Price.

As of September 30, 2024 and December 31, 2023, there were 13,850,000 Private Placement Warrants, The Private Placement Warrants are identical to the Public Warrants underlying the Units sold in the Initial Public Offering, except that the Private Placement Warrants (including the Series A common stock issuable upon the exercise of the Private Placement Warrants) are not transferable, assignable or salable until 30 days after the completion of a Business Combination, subject to certain limited exceptions. Additionally, the Private Placement Warrants are exercisable on a cashless basis and are non-redeemable so long as they are held by the initial purchasers or their permitted transferees. If the Private Placement Warrants are held by someone other than the initial purchasers or their permitted transferees, the Private Placement Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants.

NOTE 8. FAIR VALUE MEASUREMENTS

The Company follows 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 the 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: Quoted prices in active markets for identical assets or liabilities. An active market for an asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Observable inputs other than Level 1 inputs. Examples of Level 2 inputs include quoted prices in active markets for similar assets or liabilities and quoted prices for identical assets or liabilities in markets that are not active.

Level 3: Unobservable inputs based on our assessment of the assumptions that market participants would use in pricing the asset or liability.

NOTE 9 — SUBSEQUENT EVENTS

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

On October 9, 2024 and on October 17, 2024, ACAB filed an amendment to its Registration Statement on Form S-4 with SEC in connection with the previously announced proposed business combination with Abpro. The Registration Statement went effective on October 18, 2024.

On October 16, 2024, the Company received a delisting determination letter ("Delisting Determination Letter") from Nasdaq notifying us that the Company failed to regain compliance with the Nasdaq Deficiencies by the expiration of the October 15, 2024 compliance period referenced above. Additionally, the Delisting Determination Letter also noted that, as of September 10, 2024, the Company failed to meet the minimum requirement of 750,000 publicly held shares of its listed common stock under Nasdaq Listing Rule 5450(b)(1)(B). The Delisting Determination Letter states that unless the Company request a hearing before a Nasdaq Hearing Panel ("Panel") by October 23, 2024, trading of its common stock and warrants would be suspended.

On October 30, 2024, ACAB entered into a Standby Equity Purchase Agreement (the "SEPA") with YA II PN, Ltd. ("Yorkville"). Under the SEPA, Yorkville agreed to advance up to $5 million to the Company upon the occurrence of certain events in exchange for one or more promissory notes maturing in one-year, subject to acceleration. In addition, after the Closing of the Business Combination, if certain conditions are met, the Company may issue shares to Yorkville with Yorkville relaying cash to the Company in an amount specified in the SEPA.

The Company, Abpro and the Investor also entered into a registration rights agreement (the "Registration Rights Agreement"), dated October 30, 2024, pursuant to which the Company agreed to file with the Securities and Exchange Commission a registration statement covering the resale of the applicable registrable securities under the Registration Rights Agreement, including the Company's shares of common stock issuable to the Investor under the SEPA. The SEPA, Registration Rights Agreement, and the Promissory Note, and the documents executed in connection therewith, are referred to herein collectively as the "Financing Agreements."

On November 5, 2024, the Company and Abpro entered into a non-redemption agreement (the "Non-Redemption Agreement"), with Sandia Investment Management LP on behalf of certain funds, investors, entities or accounts for which it or its affiliates acts as manager, sponsor or advisor (the "Investors"). Pursuant to such Non-Redemption Agreement, each Investor agreed to rescind or reverse any previously submitted redemption demand of the common stock of the Company held or to be acquired by such Investor (the "Investor Shares") up to 124,352 shares of common stock in the aggregate.

On November 7, 2024, the Company and Abpro entered into a Confirmation of an OTC Equity Prepaid Forward Transaction (the "Forward Purchase Agreement") with YA II PN, LTD. (the "Seller") to which a maximum of up to 500,000 Shares (as defined below) (the "Maximum Number of Shares") will be subject. For purposes of the Forward Purchase Agreement, (i) the Company is referred to as the "Counterparty" prior to the consummation of the Business Combination, while PubCo is referred to as the "Counterparty" after the consummation of the Business Combination and (ii) "Shares" means shares of the Series A common stock, par value $0.0001 per share, of the Company prior to the closing of the Business Combination ("ACAB Shares"), and, after the closing of the Business Combination, shares of common stock, par value $0.0001 per share, of PubCo ("PubCo Shares"). Capitalized terms used herein but not otherwise defined have the meanings ascribed to such terms in the Forward Purchase Agreement.

Upon consummation of the Business Combination, the Company shall pay or cause to be paid to the Investors a payment in respect of their respective Investor Shares from cash released from the trust account established in connection with the Company's initial public offering equal to the number of Investor Shares multiplied by the redemption price, minus the number of Investor Shares multiplied by $9.00.

On November 12, 2024, ACAB and Abpro completed the closing of the Business Combination of ACAB with Abpro Corporation, pursuant to the previously announced Business Combination Agreement, dated December 11, 2023, amended by an amendment dated September 4, 2024, by and among ACAB, Abpro Merger Sub Corp., a Delaware corporation and a wholly owned subsidiary of ACAB, and Abpro Corporation, following the approval at the special meeting of the shareholders of ACAB held on November 7, 2024. On November 12, 2024, pursuant to the BCA, and as described in greater detail in the Company's final prospectus and definitive proxy statement, which was filed with the SEC on October 18, 2024, Merger Sub merged with and into Abpro Corporation, with Abpro Corporation surviving the merger as a wholly owned subsidiary of ACAB, and ACAB changed its name to Abpro Holdings, Inc. As consideration for the Business Combination, New Abpro issued to or reserved for Abpro Corporation shareholders an aggregate of approximately 50,000,000 shares of New Abpro common stock, par value $0.0001 per share, consisting of 39,413,500 shares of Common Stock issued to Abpro Corporation shareholders, and 10,586,500 shares of Common Stock reserved for issuance in connection with certain Abpro Corporation rollover RSUs and stock options. In addition, New Abpro issued an aggregate of 3,367,401 shares of Common Stock to the PIPE investors (as described below), an aggregate of 1,250,000 shares of Common Stock to vendors in connection with the Closing, and Atlantic Coastal Acquisition Management II LLC forfeited and New Abpro cancelled 966,442 shares of Common Stock.

Under the Second Amended Articles of Incorporation of ACAB dated November 12, 2024, each of the outstanding shares of ACAB Series A Common Stock and the outstanding share of ACAB Class B Common Stock was exchanged into one share of Common Stock.

Unless otherwise defined herein, capitalized terms used in this Quarterly Report on Form 10-Q have the same meaning as set forth in the Proxy Statement/Prospectus.

In connection with the Special Meeting, ACAB shareholders holding 330,276 shares of ACAB's Series A common stock (the "Public Shares") (after giving effect to the share repurchases by Yorkville as described below) exercised their right to redeem their shares for a pro rata portion of the funds in ACAB's trust account. Prior to the Closing approximately $3,752,627 (approximately $11.36 per Public Share) was removed from the Trust Account to pay such holders.

Following the Closing, Abpro's stockholders shall be issued up to 14,500,000 additional shares of the Post- Combination Company common stock if, within five calendar years after the closing of the Business Combination, the volume weighted average price of shares of Series A Common Stock on Nasdaq, or any other national securities exchange on which the shares of Series A Common Stock are then traded ("VWAP") meets or exceeds three-tier target prices defined in the agreement, as follows:

a) one-third of the total Earnout Shares, if, the VWAP is greater than or equal to $13.00 over any 20 trading days within any consecutive 30 trading day period (the "First Share Target")

b) one-third of the total Earnout Shares, if, the VWAP is greater than or equal to $15.00 over any 20 trading days within any consecutive 30 trading day period (the "Second Share Target")

c) one-third of the total Earnout Shares, if, the VWAP is greater than or equal to $18.00 over any 20 trading days within any consecutive 30 trading day period (the "Third Share Target").

These shares are contingently issuable upon the achievement of the set market performance targets. Considering the underlying contingent consideration to be transferred are common stocks, and as such is indexed to the Post-Combination Company's own stock and classified in stockholders' equity in the statement of financial position, we deemed the contingent payments under the earnout provisions to qualify for the scope exception in Accounting Standards Codification ("ASC") 815-10-15-74(a). As a result, the contingent consideration obligation will be recognized when the contingency is resolved, and the consideration is paid or becomes payable and has no impact on the pro forma condensed financial statements.

Abpro's 61,009 outstanding common stock warrants expired upon the consummation of the Business Combination.

Concurrently with the execution of the BCA, Abpro and Abpro Bio International, Inc., an Abpro stockholder, entered into an agreement, pursuant to which Sponsor agreed to, at the Closing Date, (i) retain 2,950,000 shares of Series A Common Stock of ACAB, (ii) retain 291,667 shares, and transfer 983,333 shares to Abpro and 983,333 of the shares Abpro Bio, for such parties to use to obtain non-redemption commitments from SPAC stockholders or other capital for SPAC or the Surviving Corporation (with any shares unused for such purpose to be retained by such party), and (iii) forfeit the remainder of any Series A Common Stock and Series B Common Stock held by Sponsor (or 966,441 Series A shares and 1 Series B shares). It was also agreed in the Sponsor Share Letter that the Sponsor will transfer 200,000 shares to one of ACAB's financial advisors for the services provided prior to the merger date. The transfer of 983,333 shares of ACAB Series A Common Stock to Abpro Bio was reflected in the pro forma condensed financial statements as a part of the recapitalization in conjunction with the Business Combination and this transfer has no financial impact. As it relates to 983,333 shares transferred to Abpro, the corresponding issuance costs will be recorded at the date these shares are transferred to third-party investors against non-redemption or capital commitments. If the 983,333 shares of Series A common stock held by Abpro and 291,667 shares held by the Sponsor are transferred to third-party investors in conjunction with their capital commitments, the maximum related costs to be recorded to additional paid-in capital will be in the amount of approximately $14.3 million (based on the fair value of ACAB's common stock shares of $11.20 per share at September 30, 2024) with the corresponding decrease in the paid-in-capital.

Under the terms of the BCA, at the Closing of the Business Combination, the Sponsor received 600,601 shares of common stock of New Abpro in exchange for the extinguishment of $2,000,000 advances to ACAB by the Sponsor.

In connection with the Closing, the PIPE Investors (defined below) received 3,367,401 shares of New Apro under the PIPE Subscription Agreements (defined below). On August 22, 2024, ACAB entered into subscription agreements with Abpro Bio and Celltrion Inc. ("Celltrion" and together with Abpro Bio, the "PIPE Investors") (the "PIPE Subscription Agreements"). Pursuant to the PIPE Subscription Agreements, at the Closing of the Business Combination, Abpro Bio purchased 622,467 newly-issued shares of New Abpro at a price of $10.00 per share, for an aggregate purchase price of $6,224,670 of which $4,225,663 was through the extinguishment of the balance due to Abpro Bio under the promissory note agreement between Abpro and Abpro Bio, and the remainder of $2,000,007 in cash. In addition, Abpro Bio received an aggregate of 1,244,934 Company Incentive Shares. Celltrion purchased 500,000 newly issued shares of New Abpro common stock, at the closing of the Business Combination, at a price of $10.00 per share, for an aggregate purchase price of $5,000,000. In addition, Celltrion was granted an aggregate of 1,000,000 Company Incentive Shares.

On November 7, 2024, ACAB and Abpro entered into a Confirmation of an OTC Equity Prepaid Forward Transaction (the "Forward Purchase Agreement") with YA II PN, LTD ("Yorkville"). In connection with the Closing, and pursuant to the terms of the Forward Purchase Agreement, prior to the Closing Date, Yorkville purchased 100,000 shares from third parties ("Recycled Shares"), pursuant to the pricing date notice dated November 12, 2024. At the Closing of the Business Combination, in accordance with the terms of the Forward Purchase Agreement, Yorkville received approximately $1.1 million (the "Prepayment Amount") from the Trust Account, equal to $11.36 per Recycled Share (the "Initial Price").

In connection with the Closing, approximately $2 million of promissory note liabilities of Abpro were converted into 600,000 New Abpro common stock shares.

In connection with the closing of the Business Combination stockholders holding a total of 330,276 public shares of Series A common stock exercised their right to redeem their public shares for an aggregate of $3,752,627. As a result of the foregoing, those holders received a payment of approximately $11.36 per share redeemed.

On November 14, 2024, pursuant to the previously disclosed Standby Equity Purchase Agreement ("SEPA") dated October 30, 2024 with YA II PN, LTD., New Abpro entered into a Convertible Promissory Note ("Yorkville Note") for $3,000,000, and received net proceeds of $2,755,000. The Yorkville Note has a maturity of November 13, 2025, incurs interest at a rate of 0% (or 18% upon the occurrence of an uncured Event of Default), and is redeemable at the option of New Abpro if the VWAP of New Abpro's Common Stock is less than $11.50. Yorkville has a right to convert any portion of the Yorkville Note at any time at a conversion price per share equal to the lower of (i) 94% of the lowest daily VWAP during the previous 5 consecutive trading days and (ii) $11.50, which may be adjusted downward upon payment of stock dividend, stock split or reclassification, or if New Abpro issues Common Stock for no consideration or at a price lower than the then-effective Fixed Price (as defined in the Yorkville Note).

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of
Atlantic Coastal Acquisition Corp. II

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Atlantic Coastal Acquisition Corp. II (the "Company") as of December 31, 2023 and 2022, the related statements of operations, stockholders' deficit and cash flows for each of the two years in the period ended December 31, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Explanatory Paragraph – Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As described in Note 1 to the financial statements, the Company is a Special Purpose Acquisition Corporation that was formed for the purpose of completing a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or other similar business combination with one or more businesses on or before April 19, 2024, subject to deposits into the trust account maintained for the benefit of the Company's public stockholders of the lesser of (a) $30,000 or (b) $0.045 for each Public Share that is not redeemed in connection with the Meeting, or the Company may, without another stockholder vote, elect to extend the business combination deadline on a monthly basis by an additional six months through September 19, 2024. The Company entered into a business combination agreement with a business combination target on December 11, 2023 however, the completion of this transaction is subject to the conditions noted above. These matters raise substantial doubt about the Company's ability to continue as a going concern. Management's plans with regard to these matters are also described in Note 1. The financial statements do not include any adjustments that may be necessary should the Company be unable to continue as a going concern.

Basis for Opinion

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

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

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

/s/ Marcum LLP
Marcum LLP

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

East Hanover, NJ
March 28, 2024

ATLANTIC COASTAL ACQUISITION CORP. II
CONSOLIDATED BALANCE SHEETS

	December 31,	
	2023	**2022**
ASSETS		
Current assets		
Cash and cash equivalents	$ 264,538	$ 392,446
Prepaid expenses	—	377,780
Cash and marketable securities held in Trust Account	29,728,990	—
Total Current Assets	29,993,528	770,226
Cash and marketable securities held in Trust Account	7,372,451	309,790,455
TOTAL ASSETS	**$ 37,365,979**	**$ 310,560,681**
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accrued expenses	$ 469,268	$ 1,243,172
Excise tax payable	3,062,004	—
Accrued offering costs	5,000	75,000
Income taxes payable	308,194	823,991
Common stock to be redeemed (2,768,301 shares of Series A common stock)	29,728,990	—
Extension promissory note - related party	160,000	—
Advance from related parties	1,655,000	—
Total Current Liabilities	35,388,456	2,142,163
Deferred underwriting fee payable	10,500,000	10,500,000
Total Liabilities	**45,888,457**	**12,642,163**
Commitments (Note 6)		
Series A common stock subject to possible redemption; 667,391 and 30,000,000 shares issued and outstanding at December 31, 2023 and 2022 at redemption value of $10.93 and $10.30 per share, respectively	7,292,641	309,097,930
Stockholders' Deficit		
Preferred stock, $0.0001 par value; 1,000,000 shares authorized, none issued and outstanding	—	—
Series A common stock, $0.0001 par value; 100,000,000 shares authorized; 7,499,999 and none issued outstanding (excluding 667,391 and 30,000,000 shares subject to possible redemption) as of December 31, 2023 and 2022, respectively	749	—
Series B common stock, $0.0001 par value; 10,000,000 shares authorized; 1 and 7,500,000 shares issued and outstanding as of December 31, 2023 and 2022, respectively	1	750
Additional paid-in capital	—	—
Accumulated deficit	(15,815,868)	(11,180,162)
Total Stockholders' Deficit	**(15,815,118)**	**(11,179,412)**
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	**$ 37,365,979**	**$ 310,560,681**

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

ATLANTIC COASTAL ACQUISITION CORP. II
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Year Ended December 31,	
	2023	**2022**
Operation and formation costs	$ 1,666,056	$ 2,050,410
Loss from operations	**(1,666,056)**	**(2,050,410)**
Other income (expense):		
Interest income – bank	52,304	1,848
Interest earned on Cash and marketable securities held in Trust Account	5,754,715	4,121,971
Penalties and interest on taxes	(142,041)	—
Unrealized loss on marketable securities held in Trust Account	—	(362,500)
Total other income, net	**5,664,978**	**3,761,319**
Income before provision for income taxes	3,998,922	1,710,909
Provision for income taxes	(1,177,463)	(823,991)
Net income	**$ 2,821,459**	**$ 886,918**
Weighted average shares outstanding, Redeemable common stock	11,257,894	28,438,356
Basic and diluted net income per share, Series A common stock	**$ 0.15**	**$ 0.02**
Weighted average shares outstanding, Non redeemable Series A and Series B common stock	7,500,000	7,500,000
Basic and diluted net income per share, Series B common stock	**$ 0.15**	**$ 0.02**

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

ATLANTIC COASTAL ACQUISITION CORP. II
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022

	Series A Common Stock		Series B Common Stock		Additional Paid-in	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Deficit
Balance — December 31, 2021	**—**	**$ —**	**7,503,750**	**$ 750**	**$ 24,250**	**$ (1,793)**	**$ 23,207**
Sale of 13,850,000 Private Placement Warrants	—	—	—	—	13,850,000	—	13,850,000
Forfeiture of Founder Shares	—	—	(3,750)	—	—	—	—
Compensation Expense – Fair value of assigned Founder Shares to Apeiron	—	—	—	—	362,500	—	362,500
Fair value of Public Warrants at issuance	—	—	—	—	8,100,000	—	8,100,000
Allocated value of transaction costs to Series A common stock	—	—	—	—	(505,049)	—	(505,049)
Remeasurement of Series A common stock to redemption amount	—	—	—	—	(21,831,701)	(12,065,287)	(33,896,988)
Net loss	—	—	—	—	—	886,918	886,918
Balance — December 31, 2022	**—**	**—**	**7,500,000**	**750**	**—**	**(11,180,162)**	**(11,179,412)**
Remeasurement of Series A common stock to redemption amount	—	—	—	—	—	(4,395,161)	(4,395,161)
Stockholder non-redemption agreement	—	—	—	—	1,378,126	—	1,378,126
Stockholder non-redemption agreement	—	—	—	—	(1,378,126)	—	(1,378,126)
Excise tax	—	—	—	—	—	(3,062,004)	(3,062,004)
Conversion of Series Class B shares to Series Class A Non-redeemable shares	7,499,999	749	(7,499,999)	(749)	—	—	—
Net income	—	—	—	—	—	2,821,459	2,821,459
Balance — December 31, 2023	**7,499,999**	**$ 749**	**1**	**$ 1**	**$ —**	**$ (15,815,868)**	**$ (15,815,118)**

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

ATLANTIC COASTAL ACQUISITION CORP. II
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Year Ended December 31,	
	2023	**2022**
Cash Flows from Operating Activities:		
Net income	$ 2,821,459	$ 886,918
Adjustments to reconcile net income to net cash used in operating activities:		
Interest earned on Cash and marketable securities held in Trust Account	(5,754,715)	(4,121,971)
Compensation expenses	—	362,500
Changes in operating assets and liabilities:		
Prepaid expenses	377,780	(377,780)
Accrued expenses	(773,904)	1,241,379
Income taxes payable	(515,797)	823,991
Net cash used in operating activities	**(3,845,177)**	**(1,184,963)**
Cash Flows from Investing Activities:		
Investment of cash in Trust Account	(160,000)	(306,000,000)
Cash withdrawn from Trust Account to pay franchise and income taxes	2,132,269	331,516
Cash withdrawn from Trust Account in connection with redemption	276,471,460	—
Net cash provided by (used in) investing activities	**278,443,729**	**(305,668,484)**
Cash Flows from Financing Activities:		
Proceeds from sale of Units, net of underwriting discounts paid	—	294,240,000
Proceeds from sale of Private Placement Warrants	—	13,850,000
Proceeds from extension promissory note – related party	160,000	49,262
Proceeds from convertible promissory note - related party	—	—
Repayment of promissory note – related party	—	(149,539)
Advances from related party	1,655,000	—
Payment of offering costs	(70,000)	(743,830)
Redemption of common stock	(276,471,460)	—
Net cash (used in) provided by financing activities	**(274,726,460)**	**307,245,893**
Net Change in Cash	**(127,908)**	**392,446**
Cash – Beginning	392,446	—
Cash – Ending	**$ 264,538**	**$ 392,446**
Supplementary cashflow information:		
Income taxes paid	$ 1,799,627	$ —
Non-cash investing and financing activities:		
Deferred offering costs included in accrued offering costs	$ —	$ 717,219
Initial classification of Series A common stock subject to possible redemption	$ —	$ 309,097,930
Deferred underwriting fee payable	$ —	$ 10,500,000

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

NOTE 1 — ORGANIZATION AND PLAN OF BUSINESS OPERATIONS

Atlantic Coastal Acquisition Corp. II (the "Company") is a blank check company incorporated in Delaware on May 20, 2021. The Company was formed for the purpose of effectuating a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or other similar business combination with one or more businesses (the "Business Combination"). On November 30, 2023 the Company formed Abpro Merger Sub Corp. ("Merger Sub"), a wholly owned subsidiary of the Company.

The Company is not limited to a particular industry or sector for purposes of consummating a Business Combination. The Company is an early stage and emerging growth company and, as such, the Company is subject to all of the risks associated with early stage and emerging growth companies.

As of December 31, 2023, the Company had not yet commenced any operations. All activity for the period May 20, 2021 (inception) through December 31, 2023 relates to the Company's formation, the initial public offering (the "Initial Public Offering"), which is described below, and subsequent to the Initial Public Offering, identifying a target company for a Business Combination. The Company will not generate any operating revenues until after the completion of a Business Combination, at the earliest. The Company will generate 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 Initial Public Offering was declared effective on January 13, 2022. On January 19, 2022, the Company consummated the Initial Public Offering of 30,000,000 units (the "Units" and, with respect to the shares of Series A common stock included in the Units being offered, the "Public Shares"), which includes the partial exercise by the underwriters of its over-allotment option in the amount of 3,900,000 Units at $10.00 per Unit, generating gross proceeds of $300,000,000, which is described in Note 3.

Simultaneously with the closing of the Initial Public Offering, the Company consummated the sale of 13,850,000 warrants (each, a "Private Placement Warrant" and, collectively, the "Private Placement Warrants") at a price of $1.00 per Private Placement Warrant in a private placement to Atlantic Coastal Acquisition Management II LLC (the "Sponsor"), generating gross proceeds of $13,850,000, which is described in Note 4.

Transaction costs amounted to $17,204,107, consisting of $5,760,000 of underwriting fees (net of $240,000 reimbursed by the underwriters), $10,500,000 of deferred underwriting fees, and $944,107 of other offering costs.

Following the closing of the Initial Public Offering on January 19, 2022, an amount of $306,000,000 ($10.20 per Unit) from the net proceeds of the sale of the Units in the Initial Public Offering and the sale of the Private Placement Warrants was placed in a trust account (the "Trust Account"), to be invested in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act of 1940, as amended (the "Investment Company Act"), with a maturity of 185 days or less, or in any open-ended investment company that holds itself out as a money market fund meeting the conditions of Rule 2a-7 of the Investment Company Act, as determined by the Company, until the earlier of: (i) the consummation of a Business Combination or (ii) the distribution of the funds in the Trust Account to the Company's stockholders, as described below.

To mitigate the risk of us being deemed to have been operating as an unregistered investment company (including under the subjective test of Section 3(a)(1)(A) of the Investment Company Act), the Company instructed the Trustee in December 29, 2023 to liquidate the U.S. government securities or money market funds held in the Trust Account and thereafter to hold all funds in the Trust Account in cash (which may include demand deposit accounts) until the earlier of consummation of our Business Combination or liquidation.

While the Company's management has broad discretion with respect to the specific application of the cash held outside of the Trust Account substantially all of the net proceeds from the Initial Public Offering and the sale of the Private Placement Warrants, which are placed in the Trust Account are intended to be applied generally toward completing a Business Combination. There is no assurance that the Company will be able to complete a Business Combination successfully. The Company must complete one or more initial Business Combinations with one or more operating businesses or assets with a fair market value equal to at least 80% of the net assets held in the Trust Account (as defined below) (less any deferred underwriting commissions and taxes payable on interest earned on the Trust Account) at the time of the signing a definitive agreement to enter a Business Combination. The Company will only complete a Business Combination if the post-Business Combination company owns or acquires 50% or more of the outstanding voting securities of the target or otherwise acquires a controlling interest in the target sufficient for it not to be required to register as an investment company under the Investment Company Act.

The Company will provide its holders of the outstanding Public Shares (the "public stockholders") with the opportunity to redeem all or a portion of their Public Shares upon the completion of a Business Combination either (i) in connection with a stockholder meeting called to approve the Business Combination or (ii) by means of a tender offer. The decision as to whether the Company will seek stockholder approval of a Business Combination or conduct a tender offer will be made by the Company, solely in its discretion. The public stockholders will be entitled to redeem their Public Shares for a pro rata portion of the amount then in the Trust Account (initially anticipated to be $10.20 per Public Share, plus any pro rata interest earned on the funds held in the Trust Account and not previously released to the Company to pay its tax obligations). There will be no redemption rights upon the completion of a Business Combination with respect to the Company's warrants.

The Company will proceed with a Business Combination only if the Company has net tangible assets of at least $5,000,001 either prior to or upon such consummation of a Business Combination and, if the Company seeks stockholder approval, a majority of the shares voted are voted in favor of the Business Combination. If a stockholder vote is not required by law and the Company does not decide to hold a stockholder vote for business or other reasons, the Company will, pursuant to its Amended and Restated Certificate of Incorporation (the "Amended and Restated Certificate of Incorporation"), conduct the redemptions pursuant to the tender offer rules of the U.S. Securities and Exchange Commission ("SEC") and file tender offer documents with the SEC prior to completing a Business Combination. If, however, stockholder approval of the transaction is required by law, or the Company decides to obtain stockholder approval for business or other reasons, the Company will offer to redeem shares in conjunction with a proxy solicitation pursuant to the proxy rules and not pursuant to the tender offer rules. If the Company seeks stockholder approval in connection with a Business Combination, the holders of the Company's shares prior to the Initial Public Offering (the "Initial Stockholders") have agreed to vote its Founder Shares (as defined in Note 5) and any Public Shares purchased during or after the Initial Public Offering in favor of approving a Business Combination. Additionally, each public stockholder may elect to redeem their Public Shares irrespective of whether they vote for or against the proposed transaction or do not vote at all.

Notwithstanding the above, if the Company seeks stockholder approval of a Business Combination and it does not conduct redemptions pursuant to the tender offer rules, the Amended and Restated Certificate of Incorporation provides that a public stockholder, together with any affiliate of such stockholder or any other person with whom such stockholder is acting in concert or as a "group" (as defined under Section 13 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), will be restricted from redeeming its shares with respect to more than an aggregate of 15% or more of the Public Shares, without the prior consent of the Company.

The Initial Stockholders have agreed (a) to waive their redemption rights with respect to their Founder Shares and Public Shares held by them in connection with the completion of a Business Combination, (b) to waive their liquidation rights with respect to the Founder Shares if the Company fails to complete a Business Combination prior to September 19, 2024 and (c) not to propose an amendment to the Amended and Restated Certificate of Incorporation (i) to modify the substance or timing of the Company's obligation to allow redemption in connection with the Company's Initial Business Combination or to redeem 100% of its Public Shares if the Company does not complete a Business Combination or (ii) with respect to any other provision relating to stockholders' rights or pre-initial business combination activity, unless the Company provides the public stockholders with the opportunity to redeem their Public Shares in conjunction with any such amendment.

The Company had 15 months from the closing of the Initial Public Offering to complete a Business Combination (the "Combination Period"). If the Company is unable to complete a 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 and not previously released to the Company to pay its tax obligations (less up to $100,000 of interest to pay dissolution expenses), divided by the number of then outstanding Public Shares, which redemption will completely extinguish public stockholders' rights as stockholders (including the right to receive further liquidating distributions, if any), and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the Company's remaining stockholders and the Company's board of directors, dissolve and liquidate, 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. There will be no redemption rights or liquidating distributions with respect to the Company's warrants, which will expire worthless if the Company fails to complete a Business Combination within the Combination Period.

On April 18, 2023, the company held the Meeting to approve an extension of time for the Company to consummate an initial business combination from April 19, 2023 to October 19, 2023, subject to additional Extension(s) up to December 19, 2023 upon election by the Sponsor. The extension was approved and a result 26,564,308 shares of the Company's Series A common stock were redeemed at approximately $10.41 per share.

On April 18, 2023, the Sponsor, the Company's independent directors, and Apeiron Investment Group Ltd (collectively, the "Series B Holders") voluntarily converted 7,499,999 shares of Series B Common Stock of the Company they held as of such date into 7,499,999 shares of Series A common stock of the Company (the "Conversion") in accordance with the amended and restated certificate of incorporation, as amended. With respect to shares of Series A common stock that they received as result of the Conversion, the Series B Holders (i) agreed that they would not vote such stock until after the closing of a business combination and (ii) acknowledged that such stock would not be entitled to any distribution from the Company's trust account. As a result of the Conversion and the results of the Meeting described above, the Company has an aggregate of 10,935,691 shares of Series A common stock outstanding and 1 share of Series B Common Stock (held by the Sponsor) outstanding.

On October 14, 2023 and November 14, 2023, the Company issued non-interest bearing, unsecured promissory notes in the aggregate principal amount of $80,000, respectively, (the "Notes") to the Sponsor. The $80,000 was deposited into the Company's trust account in order to extend the amount of time that the Company has available to complete a business combination. Upon the closing of a business combination by the Company, the Sponsor may elect to either receive repayment under the Notes or to convert all or a portion of the amount loaned under the Notes into Series A common stock of the Company at a price equal to $10.20 per share. In the event that the Company does not complete a business combination, the amounts loaned under the Notes will be repaid to the Sponsor only from funds held outside the Trust Account or will be forfeited, eliminated, or otherwise forgiven.

On October 14, 2023, by resolution of the board of directors of the Company, the Company extended the expiration date of the Business Combination Period from October 19, 2023 to November 19, 2023.

On November 14, 2023, by resolution of the board of directors of the Company, the Company extended the expiration date of the Business Combination Period from November 19, 2023 to December 19, 2023.

On December 11, 2023, the Company, Abpro Merger Sub Corp., a Delaware corporation, and Abpro Corporation, a Delaware corporation, entered into a business combination agreement (the "Business Combination Agreement"). Please see the Form 8-K filed on December 12, 2023 for more information on the terms of the Business Combination Agreement, which contains customary representations and warranties, covenants, closing conditions, termination provisions and other terms relating to the Merger.

On December 15, 2023, the company held the Meeting to approve an extension of time for the Company to consummate an initial business combination from December 19, 2023 to March 19, 2024, subject to deposits into the trust account maintained for the benefit of the Company's public stockholders the lesser of (a) $30,000 or (b) $0.045 for each Public Share that is not redeemed in connection with the Meeting. If the Company has not consummated a Business Combination by the Extended Date, the Company may, without another stockholder vote, elect to extend the Extended Date on a monthly basis up to six times by an additional one month each time thereafter, until September 19, 2024. The extension was approved and a result 2,768,301 public shares of Series A common stock exercised and did not reverse, their right to redeem their public shares in connection with the vote upon the Charter Amendment Proposal. As a result of the foregoing, those holders will receive a payment of approximately $10.68 per share redeemed. This resulted in $29,728,990 being withdrawn from the trust account and paid to redeeming stockholders. The payment to the redeeming stockholders was processed in January 2024, as such $29,728,990 has been removed form Series A common stock subject to redemption and recorded as common stock to be redeemed.

The Initial Stockholders have agreed to waive their liquidation rights with respect to the Founder Shares if the Company fails to complete a Business Combination within the Combination Period. However, if the Initial Stockholders acquire Public Shares in or after the Initial Public Offering, such Public Shares will be entitled to liquidating distributions from the Trust Account if the Company fails to complete a Business Combination within the Combination Period. The underwriters have agreed to waive their rights to their deferred underwriting commission (see Note 6) held in the Trust Account in the event the Company does not complete a Business Combination within in the Combination Period and, in such event, such amounts will be included with the other funds held in the Trust Account that will be available to fund the redemption of the Public Shares. In the event of such distribution, it is possible that the per share value of the assets remaining available for distribution will be less than the Initial Public Offering price per Unit ($10.00).

In order to protect the amounts held in the Trust Account, the Sponsor has agreed to be liable to the Company if and to the extent any claims by a third party for services rendered or products sold to the Company, or a prospective target business with which the Company has discussed entering into a transaction agreement, reduce the amount of funds in the Trust Account to below (1) $10.20 per Public Share or (2) such lesser amount per Public Share held in the Trust Account as of the date of the liquidation of the Trust Account due to reductions in the value of the trust assets, in each case net of the interest which may be withdrawn to pay our taxes. This liability will not apply with respect to any claims by a third party who executed a waiver of any and all rights to seek access to the Trust Account and except as to any claims under the Company's indemnity of the underwriters of the Initial Public Offering against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"). Moreover, in the event that an executed waiver is deemed to be unenforceable against a third party, the Sponsor will not be responsible to the extent of any liability for such third-party claims. The Company will seek to reduce the possibility that the Sponsor will have to indemnify the Trust Account due to claims of creditors by endeavoring to have all vendors, service providers (except the Company's independent registered public accounting firm), prospective target businesses or other entities with which the Company does business, execute agreements with the Company waiving any right, title, interest or claim of any kind in or to monies held in the Trust Account. There is no assurance that the Company's plans to consummate the Business Combination will be successful or successful within the Combination Period. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Going Concern

At December 31, 2023, the Company had $264,538 in its operating bank accounts and a working capital deficit of $5,394,929.

Until the consummation of a Business Combination, the Company will be using the funds not held in the Trust Account for identifying and evaluating prospective acquisition candidates, performing due diligence on prospective target businesses, paying for travel expenditures, selecting the target business to merge with or acquire, and structuring, negotiating and consummating the Business Combination.

The Company has incurred and expects to continue to incur significant costs in pursuit of its acquisition plans. The Company will need to raise additional capital through loans or additional investments from its Sponsor, shareholders, officers, directors, or third parties. The Company's officers, directors and Sponsor may, but are not obligated to, loan the Company funds, from time to time or at any time, in whatever amount they deem reasonable in their sole discretion, to meet the Company's working capital needs. Accordingly, the Company may not be able to obtain additional financing. If the Company is unable to raise additional capital, it may be required to take additional measures to conserve liquidity, which could include, but not necessarily be limited to, curtailing operations, suspending the pursuit of a potential transaction, and reducing overhead expenses. The Company cannot provide any assurance that new financing will be available to it on commercially acceptable terms, if at all. If the Company is unable to complete the Business Combination because it does not have sufficient funds available, the Company will be forced to cease operations and liquidate the Trust Account. These conditions raise substantial doubt about the Company's ability to continue as a going concern one year from the date that these consolidated financial statements are issued.

In connection with the Company's assessment of going concern considerations in accordance with the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 205-40 "Presentation of Financial Statements—Going Concern," the Company has until April 19, 2024, 2023, to consummate a Business Combination. If a Business Combination is not consummated by this date there will be a mandatory liquidation and subsequent dissolution of the Company. Although the Company intends to consummate a Business Combination on or before April 19, 2024, it is uncertain that the Company will be able to consummate a Business Combination by this time. Management has determined that the liquidity condition, coupled with the mandatory liquidation, should a Business Combination not occur, and potential subsequent dissolution raise substantial doubt about the Company's ability to continue as a going concern. The Company's plan is to complete a business combination on or prior to April 19, 2024, however it is uncertain that the Company will be able to consummate a Business Combination by this time. No adjustments have been made to the carrying amounts of assets or liabilities should the Company be required to liquidate after April 19, 2024.

Risks and Uncertainties

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

The impact of current conflicts around the globe, including Russia's invasion of Ukraine and the Israel-Hamas war, and related sanctions, on the world economy is not determinable as of the date of these financial statements, and the specific impact on the Company's financial condition, results of operations, and cash flows is also not determinable as of the date of these financial statements.

Inflation Reduction Act of 2022

On August 16, 2022, the Inflation Reduction Act of 2022 (the "IR Act") was signed into federal law. The IR Act provides for, among other things, a new U.S. federal 1% excise tax on certain repurchases of stock by publicly traded U.S. domestic corporations and certain U.S. domestic subsidiaries of publicly traded foreign corporations occurring on or after January 1, 2023. The excise tax is imposed on the repurchasing corporation itself, not its shareholders from which shares are repurchased. The amount of the excise tax is generally 1% of the fair market value of the shares repurchased at the time of the repurchase. However, for purposes of calculating the excise tax, repurchasing corporations are permitted to net the fair market value of certain new stock issuances against the fair market value of stock repurchases during the same taxable year. In addition, certain exceptions apply to the excise tax. The U.S. Department of the Treasury (the "Treasury") has been given authority to provide regulations and other guidance to carry out and prevent the abuse or avoidance of the excise tax.

Any redemption or other repurchase that occurs after December 31, 2022, in connection with a Business Combination, extension vote or otherwise, may be subject to the excise tax. Whether and to what extent the Company would be subject to the excise tax in connection with a Business Combination, extension vote or otherwise would depend on a number of factors, including (i) the fair market value of the redemptions and repurchases in connection with the Business Combination, extension or otherwise, (ii) the structure of a Business Combination, (iii) the nature and amount of any "PIPE" or other equity issuances in connection with a Business Combination (or otherwise issued not in connection with a Business Combination but issued within the same taxable year of a Business Combination) and (iv) the content of regulations and other guidance from the Treasury. In addition, because the excise tax would be payable by the Company and not by the redeeming holder, the mechanics of any required payment of the excise tax have not been determined. The foregoing could cause a reduction in the cash available on hand to complete a Business Combination and impact the Company's ability to complete a Business Combination.

On April 18, 2023 and December 13, 2023, the Company's stockholders redeemed 26,564,308 Series Class A shares for a total of $276,471,460 and redeemed 2,768,301 Series Class A shares for a total of $29,728,990, respectively. The Company evaluated the classification and accounting of the stock redemption under ASC 450, "Contingencies". ASC 450 states that when a loss contingency exists the likelihood that the future events will confirm the loss or impairment of an asset or the incurrence of a liability can range from probable to remote. A contingent liability must be reviewed at each reporting period to determine appropriate treatment. The Company evaluated the current status and probability of completing a Business Combination as of December 31, 2023 and determined that a contingent liability should be calculated and recorded. As of December 31, 2023, the Company recorded $3,062,004 of excise tax liability calculated as 1% of shares redeemed.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements are presented in U.S. dollars and have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and pursuant to the accounting and disclosure rules and regulations of the SEC.

Emerging Growth Company

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the independent registered public accounting firm attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and 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 the consolidated financial statements in conformity with U.S. GAAP requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

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

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiary. All significant intercompany balances and transactions have been eliminated in consolidation.

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 December 31, 2023 and 2022. The Company had $264,538 and $392,446 in cash at December 31, 2023 and 2022, respectively.

Cash and Marketable Securities Held in Trust Account

At December 31, 2023 and 2022, all of the Company's investments held in the Trust Account are invested in cash and money market funds invested primarily in United States Treasuries and are classified as trading securities, respectively. Trading securities are presented on the consolidated balance sheet at fair value at the end of each reporting period. Gains and losses resulting from the change in fair value of investments held in the Trust Account are included in interest earned on marketable securities held in Trust Account in the accompanying statements of operations. The estimated fair values of investments held in Trust Account are determined using available market information.

To mitigate the risk of us being deemed to have been operating as an unregistered investment company (including under the subjective test of Section 3(a)(1)(A) of the Investment Company Act), the Company instructed the Trustee in December 29, 2023 to liquidate the U.S. government securities or money market funds held in the Trust Account and thereafter to hold all funds in the Trust Account in cash (which may include demand deposit accounts) until the earlier of consummation of our Business Combination or liquidation.

Series A Common Stock Subject to Possible Redemption

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

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

As of December 31, 2023 and 2022, the Series A common stock reflected in the consolidated balance sheet are reconciled in the following table:

Gross proceeds	$	300,000,000
Less:		
Proceeds allocated to Public Warrants		(8,100,000)
Series A common stock issuance costs		(16,699,058)
Plus:		
Remeasurement of carrying value to redemption value		33,896,988
Series A common stock subject to possible redemption, December 31, 2022	**$**	**309,097,930**
Less:		
Redemption		(276,471,460)
Redemptions (redeemed in December 2023, paid in January 2024)		(29,728,990)
Plus:		
Remeasurement of carrying value to redemption value		4,395,161
Series A common stock subject to possible redemption, December 31, 2023	**$**	**7,292,641**

Deferred Offering Costs

The Company complies with the requirements of the ASC 340-10-S99-1 and SEC Staff Accounting Bulletin ("SAB") Topic 5A—"Expenses of Offering". Offering costs consist principally of professional and registration fees incurred through the balance sheet date that are related to the Initial Public Offering. Offering costs are allocated based on the relative value of the Public and Private Warrants to the proceeds received from the Public Shares sold in the Initial Public Offering. Offering costs allocated to the Public Shares are charged to temporary equity and offering costs allocated to the Public and Private Warrants are charged to stockholder's equity. As of January 19, 2022, offering costs in the aggregate of $17,204,107, of which an aggregate of $16,699,058 have been charged to temporary equity and an aggregate of $505,049 have been charged to stockholders' equity.

As of December 31, 2023 and 2022, there were no deferred offering costs recorded in the accompanying consolidated balance sheets respectively.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of a cash account in a financial institution, which, at times, may exceed the Federal Deposit Insurance Corporation coverage of $250,000. The Company has not experienced losses on this account and management believes the Company is not exposed to significant risks on such account.

Income Taxes

The Company accounts for income taxes under ASC 740, "Income Taxes." ASC 740, requires the recognition of deferred tax assets and liabilities for both the expected impact of differences between the financial statements and tax basis of assets and liabilities and for the expected future tax benefit to be derived from tax loss and tax credit carryforwards. ASC 740 additionally requires a valuation allowance to be established when it is more likely than not that all or a portion of deferred tax assets will not be realized. As of December 31, 2023 and 2022, the Company's deferred tax asset had a full valuation allowance recorded against it.

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 December 31, 2023 and 2022. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position.

The Company has identified the United States as its only "major" tax jurisdiction. The Company is subject to income taxation by major taxing authorities since inception. These 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.

Net Income per Common Share

The Company complies with accounting and disclosure requirements of FASB ASC Topic 260, "Earnings Per Share". Net income per common stock is computed by dividing net income by the weighted average number of common stock outstanding for the period. Accretion associated with the redeemable shares of Series A common stock is excluded from earnings per share as the redemption value approximates fair value.

The calculation of diluted income per share does not consider the effect of the warrants issued in connection with the (i) Initial Public Offering, and (ii) the private placement since the exercise of the warrants is contingent upon the occurrence of future events. The warrants are exercisable to purchase 28,850,000 Series A common stock in the aggregate. As of December 31, 2023 and 2022, the Company did not have any dilutive securities or other contracts that could, potentially, be exercised or converted into common stock and then share in the earnings of the Company. As a result, diluted net loss per common stock is the same as basic net income per common stock for the periods presented.

The following table reflects the calculation of basic and diluted net income per common stock (in dollars, except per share amounts):

	For the Year Ended December 31,			
	2023		2022	
	Redeemable	Non redeemable Series A and Series B	Series A	Series B
Basic and diluted net income per common stock				
Numerator:				
Allocation of net income, as adjusted	$ 1,693,350	$ 1,128,109	$ 701,826	$ 185,092
Denominator:				
Basic and diluted weighted average shares outstanding	11,257,894	7,500,000	28,438,356	7,500,000
Basic and diluted net income per common stock	$ 0.15	$ 0.15	$ 0.02	0.02

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 consolidated balance sheet, primarily due to their short-term nature.

Derivative Financial Instruments

The Company evaluated its financial statements to determine if such instruments are derivatives or contain features that qualify as embedded derivatives in accordance with FASB ASC Topic 815, "Derivatives and Hedging." For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at fair value on the grant date and re-valued at each reporting date, with changes in the fair value reported in the statements of operations. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative assets and liabilities are classified in the balance sheet as current or
non-current based on whether or not net-cash settlement or conversion of the instruments could be required within 12 months of the balance sheet date. The Company accounted for the warrants issued in connection with the Initial Public Offering and the private placement as equity under the guidance at FASB ASC Topic 815.

Warrants

We account for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in ASC 480 and ASC 815, "Derivatives a nd Hedging". The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to our own ordinary shares, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent reporting period date while the warrants are outstanding. Based on our assessment of the guidance, our warrants meet the criteria for equity classification and are recorded within stockholders' equity.

Share-based Compensation

The Company adopted ASC Topic 718, "Compensation — Stock Compensation," guidance to account for its share-based compensation. It defines a fair value-based method of accounting for an employee share option or similar equity instrument. The Company recognizes all forms of share-based payments, including share option grants, warrants and restricted share grants, at their fair value on the grant date, which are based on the estimated number of awards that are ultimately expected to vest. Share-based payments, excluding restricted shares, are valued using a Black-Scholes option pricing model. Grants of share-based payment awards issued to nonemployees for services rendered have been recorded at the fair value of the share-based payment, which is the more readily determinable value. The grants are amortized on a straight-line basis over the requisite service periods, which is generally the vesting period. If an award is granted, but vesting does not occur, any previously recognized compensation cost is reversed in the period related to the termination of service. Share-based compensation expenses are included in costs and operating expenses depending on the nature of the services provided in the statements of operations.

Recent Accounting Standards

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09"), which will require the Company to disclose specified additional information in its income tax rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. ASU 2023-09 will also require the Company to disaggregate its income taxes paid disclosure by federal, state and foreign taxes, with further disaggregation required for significant individual jurisdictions. ASU 2023-09 will become effective for Annual periods beginning after December 15, 2024. The Company is still reviewing the impact of ASU 2023-09.

In August 2020, the FASB issued Accounting Standards Updated ("ASU") No. 2020-06, "Debt—Debt with Conversion and Other Options (Subtopic470-20)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. ASU 2020-06 removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception, and it also simplifies the diluted earnings per share calculation in certain areas. ASU 2020-06 is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years, with early adoption permitted. We are currently assessing the impact, if any, that ASU 2020-06 would have on our financial position, results of operations or cash flows.

In June 2016, the FASB issued Accounting Standards Update ("ASU") 2016-13–Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"). This update requires financial assets measured at amortized cost basis to be presented at the net amount expected to be collected. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. Since June 2016, the FASB issued clarifying updates to the new standard including changing the effective date for smaller reporting companies. The guidance is effective for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years, with early adoption permitted. The Company adopted ASU 2016-13 on January 1, 2023. The adoption of ASU2016-13 did not have a material impact on its financial statements.

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

NOTE 3 — INITIAL PUBLIC OFFERING

Pursuant to the Initial Public Offering, the Company sold 30,000,000 Units, which include the partial exercise by the underwriters of their over-allotment option in the amount of 3,900,000 units, at a purchase price of $10.00 per Unit. Each Unit consists of one share of the Company's Series A common stock and one-half of one redeemable warrant ("Public Warrant"). Each Public Warrant entitles the holder to purchase one share of Series A common stock at an exercise price of $11.50 per whole share (see Note 7).

NOTE 4 — PRIVATE PLACEMENT

Simultaneously with the closing of the Initial Public Offering, the Sponsor purchased an aggregate of 13,850,000 Private Placement Warrants at a price of $1.00 per Private Placement Warrant, for an aggregate purchase price of $13,850,000, in a private placement. Each Private Placement Warrant is exercisable to purchase one Series A common stock at a price of $11.50 per share, subject to adjustments (see Note 7). A portion of the proceeds from the Private Placement Warrants was added to the proceeds from the Initial Public Offering held in the Trust Account. If the Company does not complete a Business Combination within the Combination Period, the proceeds from the sale of the Private Placement Warrants will be used to fund the redemption of the Public Shares (subject to the requirements of applicable law) and the Private Placement Warrants will expire worthless.

NOTE 5 — RELATED PARTY TRANSACTIONS

Founder Shares

On October 25, 2021, the Sponsor paid $25,000 to cover certain offering costs of the Company in consideration for 7,187,500 shares of Series B common stock (the "Founder Shares"). On January 13, 2022, the Company effectuated a 1.044-for-1 stock split, resulting in an aggregate of 7,503,750 Founder Shares outstanding (see Note 7). Due to the underwriters' election to partially exercise their overallotment option, 3,750 shares were forfeited.

The Sponsor, founders, executive officers and directors have agreed, subject to certain limited exceptions, not to transfer, assign or sell any of the Founder Shares until one year after the completion of a Business Combination that results in all of the Company's stockholders having the right to exchange their Series A common stock for cash, securities, or other property (except with respect to permitted transferees). Notwithstanding the foregoing, (x) if the last reported sale price of the Series A common stock equals or exceeds $12.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after a Business Combination, or (y) the date on which the Company completes a liquidation, merger, capital stock exchange or other similar transaction that results in all of the Company's stockholders having the right to exchange their shares of common stock for cash, securities or other property, then such securities will be released from these restrictions. Any permitted transferees would be subject to the same restrictions and other agreements of the founders with respect to any Founder Shares.

On October 25, 2021, the Sponsor transferred 250,000 Founder Shares to five director nominees (50,000 shares to each director nominee) for no consideration, to serve in his or her capacity as an independent director of the Company. The Company assigned the number of shares of Series B common stock of the Company, par value $0.0001 per share. The transfer of the Founders Shares to five director nominees is within the scope of FASB ASC Topic 718, "Compensation-Stock Compensation" ("ASC 718"). Under ASC 718, stock-based compensation associated with equity-classified awards is measured at fair value upon the grant date and expensed when earned. Shares granted to these directors are forfeited if their status as director is terminated for any reason prior to the date of the initial Business Combination and, as such, there has been no stock-based compensation expense recognized in the accompanying financial statements.

On December 1, 2021, the Company and Apeiron Investment Group Ltd. ("Apeiron") entered into an Agreement to which Apeiron will serve as an advisor to the Company in connection with identifying one or more businesses with which the Company may effectuate its Initial Business Combination. As consideration for Apeiron's willingness to provide the service set forth in the Agreement, the Sponsor shall pay or transfer to Apeiron (or its designee) on behalf of the Company a non-refundable fee in the form of 50,000 shares of the Company's Series B common stock ("Fee Shares"). The transfer of the Founder Shares to Apeiron is not directly related to or in connection with the Initial Public Offering and not within the scope of offering costs as defined in Note 2. The transfer of the Fee Shares is in the scope of FASB ASC Topic 718, "Compensation-Stock Compensation" ("ASC 718"). Under ASC 718, stock-based compensation associated with equity-classified awards is measured at fair value upon the grant date. The fair value of the 50,000 Fee Shares granted to Apeiron was $362,500 or $7.25 per share. The Founders Shares were granted subject to a performance condition (i.e., the closing date of the Initial Public Offering). Compensation expense related to the Founders Shares is recognized only when the performance condition is probable of occurrence under the applicable accounting literature in this circumstance. As of December 31, 2022, the Company recognized $ 362,500 in the operations as stock-based compensation expense as the Company determined that the performance condition has been met at the date of issuance/closing of the Initial Public Offering.

Promissory Note — Related Party

On October 25, 2021, the Sponsor issued an unsecured promissory note to the Company (the "Promissory Note"), pursuant to which the Company may borrow up to an aggregate principal amount of $250,000. The Promissory Note is non-interest bearing and is payable on the earlier of April 30, 2022, or the consummation of the Initial Public Offering. As of December 31, 2023 and 2022, the Company has no outstanding balance under the Promissory Note, respectively.

Related Party Loans

In order to finance transaction costs in connection with a Business Combination, the Sponsor has committed to advance the Company up to $1,750,000 to fund the expenses relating to investigating and selecting a target business and other working capital requirements after the Initial Public Offering and prior to the Initial Business Combination. In addition, our Sponsor, or certain of our officers and directors or their affiliates may, but are not obligated to, loan us additional funds as may be required. If the Company consummated an Initial Business Combination, the Company would repay the Working Capital Loans. In the event that a Business Combination does not close, the Company may use a portion of proceeds held outside the Trust Account to repay the Working Capital Loans, but no proceeds held in the Trust Account would be used to repay the Working Capital Loans. The final terms of such Working Capital Loans, if any, have not been determined and no written agreements exist with respect to such loans. Up to $1,500,000 of such Working Capital Loans may be convertible into additional warrants of the post-Business Combination entity at a price of $1.00 per warrant at the option of the lender. The warrants would be identical to the Private Placement Warrants. Prior to the completion of the Initial Business Combination, the Company does not expect to seek loans from parties other than the Sponsor or its affiliates as the Company does not believe third parties will be willing to loan such funds and provide a waiver against any and all rights to seek access to funds in the Trust Account. There are no Working Capital Loans outstanding as of December 31, 2023 and 2022.

Extension Promissory Notes — Related Party

On October 14, 2023 and November 14, 2023, the Company issued non-interest bearing, unsecured promissory notes in the principal amount of $80,000, respectively, (the "Extension Promissory Notes") to the Sponsor. The $80,000 was deposited into the Company's trust account in order to extend the amount of time that the Company has available to complete a business combination. Upon the closing of a business combination by the Company, the Sponsor may elect to either receive repayment under the Notes or to convert all or a portion of the amount loaned under the Notes into Series A common stock of the Company at a price equal to $10.20 per share. In the event that the Company does not complete a business combination, the amounts loaned under the Notes will be repaid to the Sponsor only from funds held outside the Trust Account or will be forfeited, eliminated, or otherwise forgiven. As of December 31, 2023, the Company owed $160,000 due under the Extension Promissory Notes with no further borrowings available.

On December 18, 2023, the Company amended the Extension Promissory Notes to remove the Sponsor's right to convert the note into Series A common stock at a price equal to $ 10.20 per share.

Advance from Related Party

On December 8, 2023, December 11, 2023, and December 12, 2023, the Sponsor advanced the Company $10,000, $1,630,000, and $15,000, respectively, to fund tax obligations. As of December 31, 2023, the Sponsor advanced the Company $1,655,000 and is reflected in the consolidated balance sheets.

NOTE 6 — COMMITMENTS

Registration Rights

Pursuant to a registration rights agreement entered into on January 13, 2022, the holders of the Founder Shares, Private Placement Warrants, and any Private Placement Warrants that may be issued upon conversion of the Working Capital Loans (and any Series A common stock issuable upon the exercise of the Private Placement Warrants and warrants that may be issued upon conversion of Working Capital Loans and conversion of Founder Shares) will be entitled to registration rights. The holders of these securities will be entitled to make up to three demands, excluding short form registration demands, that the Company register such securities. In addition, the holders have certain "piggy-back" registration rights with respect to registration statements filed subsequent to the completion of a Business Combination and rights to require the Company to register for resale such securities pursuant to Rule 415 under the Securities Act. However, the registration rights agreement provides that the Company will not be required to effect or permit any registration or cause any registration statement to become effective until termination of the applicable lock-up period. The registration rights agreement does not contain liquidated damages or other cash settlement provisions resulting from delays in registering the Company's securities. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

Underwriting Agreement

The underwriters were entitled to a cash underwriting discount of $0.20 per Unit, or $6,000,000 in the aggregate, paid on the closing of the Initial Public Offering. In addition, the underwriters are entitled to a deferred fee of $0.35 per Unit, or $10,500,000 in the aggregate. The deferred fee will become payable to the underwriter from the amounts held in the Trust Account solely in the event that the Company completes a Business Combination, subject to the terms of the underwriting agreement.

Advisors

On January 7, 2022, the Company and Farvahar Capital ("Farvahar") entered into an agreement under which Farvahar served as an advisor to the Company in connection with the Initial Public Offering. Farvahar was engaged to represent the Company's interests only and is independent of the underwriters. The underwriters reimbursed the Company for the fees payable to Farvahar in respect of the provision of such advisory services. The Company agreed to pay Farvahar a fee of 0.08% of the gross proceeds of the Initial Public Offering, including any exercise of the underwriters' over-allotment option with respect to the Initial Public Offering or $240,000 in the aggregate. Farvahar did not act as an underwriter in connection with the Initial Public Offering; it did not identify or solicit potential investors in the Initial Public Offering. As of December 31, 2022, the Company received the reimbursement from the underwriters and paid Farvahar.

Capital Market Advisor

On April 11, 2023, the Company entered into a services agreement with an advisor. The Advisor will provide advisory services as it pertains to a business combination. Upon the closing of a business combination the advisor will be paid a fee for their services. All consideration is to be paid simultaneously with the closing of the business combination.

Non-Redemption Agreement

On or about April 4, 2023, the Company and Atlantic Coastal Acquisition Management II LLC (the "Sponsor"), entered into agreements ("Non-Redemption Agreements") with several unaffiliated third parties in exchange for them agreeing not to redeem an aggregate of 3,300,900shares("Non-Redeemed Shares") of the Company's Series A common stock sold in its initial public offering (the "Public Shares") at the special meeting called by the Company (the "Meeting") to approve an extension of time for the Company to consummate an initial business combination (the "Charter Amendment Proposal") from April 19, 2023 to October 19, 2023 (an "Extension"), subject to additional Extension(s) up to December 19, 2023 upon election by the Sponsor. In exchange for the foregoing commitments not to redeem such shares, the Sponsor has agreed to transfer to such investors an aggregate of 825,225 shares of the Company held by the Sponsor immediately following consummation of an initial business combination if they continued to hold such Non-Redeemed Shares through the Meeting.

Business Combination Agreement

On December 11, 2023, the Company, Abpro Merger Sub Corp., a Delaware corporation ("Merger Sub"), and Abpro Corporation, a Delaware corporation "Abpro"), entered into a business combination agreement (the "Business Combination Agreement").

Pursuant to the Business Combination Agreement, on the Closing Date (as defined in the Business Combination Agreement), Merger Sub, a newly formed, wholly-owned direct subsidiary of the Company, will be merged with and into the Abpro (the "Business Combination," together with the other transactions related thereto, the "Proposed Transactions"), with the Abpro surviving the Business Combination as a wholly-owned direct subsidiary of the Company (the "Surviving Company"). In connection with the consummation of the Business Combination, the Company will change its corporate name to "Abpro Holdings, Inc." The respective boards of directors of the Company and Abpro have duly approved the Business Combination Agreement and the transactions contemplated thereby.

Immediately prior to the effective time of the Business Combination (the "Effective Time"), Abpro will cause (i) all outstanding Abpro convertible notes to be converted into shares of Company Common Stock, (ii) all outstanding Abpro warrants to acquire equity securities of the Company to be converted into a number of shares of shares of Company Common Stock and (iii) the Abpro Preferred Shares (including those shares resulting from the convertible notes conversion and warrant conversion) that are issued and outstanding immediately prior to the Effective Time to be converted into shares of Abpro Common Stock.

Conditions to closing

The obligations of the Company and Abpro to consummate the Business Combination are subject to certain closing conditions, including, but not limited to, (i) the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, (ii) the absence of any law or governmental order or other legal restraint or prohibition preventing the consummation of the Business Combination, (iii) the Registration Statement being declared effective under the Securities Act, (iv) the ACAB New Common Shares to be issued in connection with the Business Combination having been approved for listing on Nasdaq, (v) the approval of certain of the Company Proposals by the Company's stockholders, (vi) obtaining the Abpro written consent approving the Business Combination; (vii) the Company having at least $5,000,001 of net tangible assets (as determined in accordance with Rule 3a51-1(g)(1) of the Securities Exchange Act of 1934, as amended) remaining after the Closing; and (viii) the Company arranging for binding commitments of at least $8.7 million in available closing cash consisting of funds in the Trust Account (after reduction for payments made in connection with redemptions by the Company stockholders) plus any funds available pursuant to a PIPE Financing, forward purchase agreement, equity line of credit, convertible note financing and other sources of financing, less any Unpaid SPAC Expenses, as described in the Business Combination Agreement, subject to the Abpro's waiver of such amount.

Sponsor Letter Agreement

On December 11, 2023, Atlantic Coastal Acquisition Management II LLC, a Delaware limited liability company (the "Sponsor") entered into an agreement with the Company, the Abpro and Abpro Bio Co., Ltd (the "Sponsor Letter Agreement"), whereby Sponsor agrees to (i) retain 2.95 million shares of the Company's Series A Common Stock held by it, (ii) divide 2,458,333 shares of the Company's Series A Common Stock held by it among the Sponsor, who will be entitled to 491,667 of the shares, Abpro, who will be entitled to 983,333 of the shares, and Abpro Bio Co., Ltd, who will be entitled to 983,333 of the shares, for such party to use to obtain non-redemption commitments from the Company's stockholders or other capital for ACAB or the Surviving Company (with any shares unused for such purpose to be retained by such party) and (ii) forfeit the remainder of any the Company's Series A Common Stock and the Company's Series B Common Stock held by it.

Sponsor Support Agreement

On December 11, 2023, the Company, Abpro and the Sponsor entered into the Sponsor Support Agreement pursuant to which the Sponsor agreed to, among other things, vote all of its shares of the Company's Series A Common Shares and the Company's Series B Common Shares held by it, whether now owned or hereafter acquired, (i) in favor of the approval and adoption of the Business Combination Agreement and the transactions contemplated thereby (including the Business Combination), and (ii) against any proposal, action or agreement that would impede, interfere with, delay, postpone or discourage any provision of the Sponsor Support Agreement, the Business Combination Agreement or the transactions contemplated thereby (including the Business Combination). In addition, in the Sponsor Support Agreement, the Sponsor agrees to waive, and not to assert or perfect, among other things, any rights to adjustment or other anti-dilution protections with respect to the rate at which the shares of the Company's Series B Common Stock held by the Sponsor convert into shares of the Company's Series A Common Stock in connection with the transactions contemplated by the Business Combination Agreement.

NOTE 7 — STOCKHOLDERS' DEFICIT

Preferred Stock **—** The Company is authorized to issue 1,000,000 shares of $0.0001 par value preferred stock. At December 31, 2023 and 2022, there were no shares of preferred stock issued or outstanding.

Series A Common Stock **—** The Company is authorized to issue up to 100,000,000 shares of Series A, $0.0001 par value common stock. Holders of the Company's common stock are entitled to one vote for each share. At December 31, 2023 and 2022, there were 7,499,999 and no shares of Series A common stock issued and outstanding, excluding 667,391 and 30,000,000 shares subject to possible redemption, respectively.

Series B Common Stock **—** The Company is authorized to issue up to 10,000,000 shares of Series B, $0.0001 par value common stock. Holders of the Company's common stock are entitled to one vote for each share. At December 31, 2022, there were 7,500,000 shares of Series B common stock issued and outstanding, of which an aggregate of up to 978,500 shares were subject to forfeiture to the extent that the underwriters' over-allotment option was not exercised in full or in part so that the Initial Stockholders will own 20% of the Company's issued and outstanding common stock after the Initial Public Offering (assuming Initial Stockholders do not purchase any Public Shares in the Initial Public Offering). On January 13, 2022, the Company effectuated a 1.044-for-1 stock split, resulting in an aggregate of 7,503,750 Founder Shares outstanding. Due to the underwriters' election to partially exercise their overallotment option, 3,750 shares were forfeited, 1 and 7,500,000 Series B common stock are issued and outstanding at December 31, 2023 and 2022, respectively.

Holders of Series A common stock and Series B common stock will vote together as a single class on all other matters submitted to a vote of stockholders, except as required by law.

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

Warrants — As of December 31, 2023 and 2022, there are 15,000,000 outstanding Public Warrants. Public Warrants may only be exercised for a whole number of shares. No fractional shares will be issued upon exercise of the Public Warrants. The Public Warrants will become exercisable on the later of (a) 30 days after the consummation of a Business Combination or (b) 12 months from the closing of the Initial Public Offering, provided in each case that there is an effective registration statement under the Securities Act covering the Series 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 public 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 Public Warrants will expire five years from the consummation of a Business Combination or earlier upon redemption or liquidation.

The Company will not be obligated to deliver any Series A common stock pursuant to the exercise of a Public Warrant and will have no obligation to settle such Public Warrant exercise unless a registration statement under the Securities Act covering the issuance of the Series A common stock issuable upon exercise of the Public Warrants is then effective and a prospectus relating thereto is current, subject to the Company satisfying its obligations with respect to registration. No warrant will be exercisable, and the Company will not be obligated to issue shares of Series A common stock upon exercise of a warrant unless Series A common stock issuable upon such warrant exercise has been registered, qualified or deemed to be exempt under the securities laws of the state of residence of the registered holder of the warrants.

The Company has agreed that as soon as practicable, but in no event later than 20 business days after the closing of a Business Combination, it will use its commercially reasonable efforts to file with the SEC a registration statement covering the issuance, under the Securities Act, of the Series A common stock issuable upon exercise of the warrants. The Company will use its commercially reasonable efforts to cause the same to become effective within 60 business days after the closing of a Business Combination and to maintain the effectiveness of such registration statement, and a current prospectus relating thereto, until the expiration of the warrants in accordance with the provisions of the warrant agreement. If any such registration statement has not been declared effective by the 60th business day following the closing of a Business Combination, holders of the warrants will have the right, during the period beginning on the 61st business day after the closing of a Business Combination and ending upon such registration statement being declared effective by the SEC, and during any other period when the Company fails to have maintained an effective registration statement covering the issuance of the shares of Series A common stock issuable upon exercise of the warrants, to exercise such warrants on a "cashless basis." Notwithstanding the above, if the shares of Series 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 elect, the Company will not be required to file or maintain in effect a registration statement, but will use its commercially reasonable efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available.

Once the warrants become exercisable, the Company may redeem the Public Warrants:

- in whole and not in part;
- at a price of $0.01 per warrant;

- upon not less than 30 days' prior written notice of redemption given after the warrants become exercisable to each warrant holder; and
- if, and only if, the reported last sale price of the Series A common stock equals or exceeds $18.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within a 30-trading day period commencing once the warrants become exercisable and ending three business days before the Company sends the notice of redemption to the warrant holders.

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

If the Company calls the Public Warrants for redemption, management will have the option to require all holders that wish to exercise the Public Warrants to do so on a "cashless basis," as described in the warrant agreement. The exercise price and number of shares of Series A common stock issuable upon exercise of the warrants may be adjusted in certain circumstances including in the event of a stock dividend, or recapitalization, reorganization, merger or consolidation. However, except as described below, the warrants will not be adjusted for issuance of Series A common stock at a price below its exercise price. Additionally, in no event will the Company be required to net cash settle the warrants. If the Company is unable to complete a Business Combination within the Combination Period and the Company liquidates the funds held in the Trust Account, holders of warrants will not receive any of such funds with respect to their warrants, nor will they receive any distribution from the Company's assets held outside of the Trust Account with the respect to such warrants. Accordingly, the warrants may expire worthless.

In addition, if (x) the Company issues additional shares of Series A common stock or equity-linked securities, for capital raising purposes in connection with the closing of a Business Combination at an issue price or effective issue price of less than $9.20 per share of Series A 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 Sponsor or its affiliates, without taking into account any Founder Shares held by the Sponsor or its affiliates, as applicable, prior to such issuance) (the "Newly Issued Price"), (y) the aggregate gross proceeds from such issuances represent more than 60% of the total equity proceeds, and interest thereon, available for the funding of a Business Combination on the date of the completion of a Business Combination (net of redemptions), and (z) the volume weighted average trading price of the Company's Series A common stock during the 20 trading day period starting on the trading day after the day on which the Company completes a Business Combination (such price, the "Market Value") is below $9.20 per share, the exercise price of the warrants will be adjusted (to the nearest cent) to be equal to 115% of the greater of the Market Value and the Newly Issued Price, and the $18.00 per share redemption trigger price will be adjusted (to the nearest cent) to be equal to 180% of the greater of the Market Value and the Newly Issued Price.

As of December 31, 2023 and 2022, there are 13,850,000 Private Placement Warrants, The Private Placement Warrants are identical to the Public Warrants underlying the Units sold in the Initial Public Offering, except that the Private Placement Warrants (including the Series A common stock issuable upon the exercise of the Private Placement Warrants) are not transferable, assignable or salable until 30 days after the completion of an Initial Business Combination, subject to certain limited exceptions. Additionally, the Private Placement Warrants are exercisable on a cashless basis and are non-redeemable so long as they are held by the initial purchasers or their permitted transferees. If the Private Placement Warrants are held by someone other than the initial purchasers or their permitted transferees, the Private Placement Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants.

NOTE 8 — INCOME TAXES

The Company's net deferred tax assets are as follows:

	December 31, 2023	December 31, 2022
Deferred tax assets		
Net operating loss carryforward	$ —	$ —
Startup/Organization Expenses	$ 686,905	$ 388,575
Total deferred tax assets	686,905	388,575
Valuation allowance	(686,905)	(388,575)
Deferred tax assets, net of allowance	$ —	$ —

The income tax provision for the year ended December 31, 2023 and 2022 consists of the following:

	December 31, 2023	December 31, 2022
Federal		
Current	$ 1,177,463	$ 823,991
Deferred	(298,330)	(388,575)
State		
Current	—	—
Deferred	—	—
Change in valuation allowance	298,330	388,575
Income tax provision	$ 1,177,463	$ 823,991

As of December 31, 2023 and 2022, the Company did not have any U.S. federal and state net operating loss carryovers available to offset future taxable income.

In assessing the realization of the deferred tax assets, management considers whether it is more likely than not that some portion of all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which temporary differences representing net future deductible amounts become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. After consideration of all of the information available, management believes that significant uncertainty exists with respect to future realization of the deferred tax assets and has therefore established a full valuation allowance. For the year ended December 31, 2023 and 2022, the change in the valuation allowance was $298,330 and $388,575, respectively.

A reconciliation of the federal income tax rate to the Company's effective tax rate is as follows:

	December 31, 2023	December 31, 2022
Statutory federal income tax rate	21.00%	21.00%
Meals & entertainment	0.00%	4.45%
Business combination expenses	0.24%	0.00%
Fines and penalties	0.75%	0.00%
Change in valuation allowance	7.46%	22.71%
Income tax provision	29.45%	48.16%

The Company files income tax returns in the U.S. federal jurisdiction in various state and local jurisdictions and is subject to examination by the various taxing authorities.

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: Quoted prices in active markets for identical assets or liabilities. An active market for an asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing in formation on an ongoing basis.

Level 2: Observable inputs other than Level 1 inputs. Examples of Level 2 inputs include quoted prices in active markets for similar assets or liabilities and quoted prices for identical assets or liabilities in markets that are not active.

Level 3: Unobservable inputs based on our assessment of the assumptions that market participants would use in pricing the asset or liability.

The following table presents information about the Company's assets that are measured at fair value on a recurring basis at December 31, 2023, and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

	December 31, 2022	
	Level	Amount
Assets:		
Marketable securities held in Trust Account	1	$ 309,790,455

NOTE 10 — SUBSEQUENT EVENTS

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

On January 11, 2024, the Company entered into an amended services agreement with and advisor, that was origin ally entered into on April 11 2023. The advisor will provide advisory services as it pertains to a business combination. Upon the closing of a business combination the advisor will receive 200,000 shares of Series a common stock in the post-closing Company and 4% of the gross proceeds raised from investors and received by the Company or the target prior to the business combination or simultaneously. All consideration is to be paid simultaneously with the closing of the business combination.

On January 18, 2024, the Sponsor, the Company, Abpro and Abpro Bio entered into an amendment to the Sponsor Letter Agreement (the "Amended Sponsor Letter Agreement"), which amended the amount of shares each party thereunder is entitled to, consistent with the description previously disclosed on December 11, 2023 and as contemplated in the Business Combination Agreement, dated as of December 11, 2023, by and among the Company, Abpro Merger Sub Corp., a Delaware corporation, and Abpro. For the avoidance of doubt, the Amended Sponsor Letter Agreement supersedes and replaces the Sponsor Letter Agreement in its entirety.

On January 21, 2024, the Company received a partial waiver from an underwriter from the initial public offering that was entitled to a portion of the deferred underwriter fee. Subject to the closing of the businesses combination between the Company and Abpro, the underwriter waived $4,290,000 of the underwriter fee in exchange for 600,000 of common stock in the post-merger Company.

On January 22, 2024, the Company issued a press release announcing that it filed a Registration Statement on Form S-4 with the Securities and Exchange Commission ("SEC") on January 19, 2024 in connection with the previously announced proposed business combination with Abpro (the "Business Combination").

ABPRO CORPORATION AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except share and per share data)
(Unaudited)

	September 30, 2024	December 31, 2023
Assets		
Current assets:		
Cash	$ 1	$ 723
Accounts receivable	302	88
Deferred offering costs	1,817	878
Prepaid expenses and other current assets	270	208
Total current assets	2,390	1,897
Restricted cash	140	138
Property and equipment, net	42	102
Right-of-use asset - operating lease	558	966
Security deposits	66	66
Patents, net	179	186
Total assets	**$ 3,375**	**$ 3,355**
Liabilities, convertible preferred stock and stockholders' deficit		
Current liabilities:		
Accounts payable	$ 5,259	$ 7,916
Accrued expenses	2,745	2,081
Operating lease liability, current	601	567
Finance lease liability, current	-	130
Notes payable, current – related parties	6,672	1,742
Total current liabilities	15,277	12,436
Operating lease liability, noncurrent	-	455
Total liabilities	**15,277**	**12,891**
Commitments and Contingencies (Note 7)		
Convertible preferred stock, $0.001 par value, issuable in series:		
Series F Convertible Preferred Stock; authorized shares – 4,444,444; issued and outstanding shares – 555,555; liquidation preference of $10,000 at September 30, 2024	9,991	9,991
Series E Convertible Preferred Stock; authorized, issued and outstanding shares – 3,303,966; liquidation preference of $30,000 at September 30, 2024	29,841	29,841
Series D Convertible Preferred Stock; authorized, issued and outstanding shares – 1,220,261; liquidation preference of $18,194 at September 30, 2024	17,622	17,622
Series C Convertible Preferred Stock; authorized, issued and outstanding shares – 2,005,687; liquidation preference of $15,725 at September 30, 2024	14,949	14,949
Series B Convertible Preferred Stock; authorized, issued and outstanding shares – 626,636; liquidation preference of $1,798 at September 30, 2024	1,401	1,401
Series A Redeemable, Convertible Preferred Stock; authorized, issued and outstanding shares – 19,254 shares; liquidation preference of $1,795 at September 30, 2024	1,795	1,795
Total convertible preferred stock	75,599	75,599
Stockholders' deficit:		
Common stock, $0.001 par value; authorized shares – 40,000,000; issued shares – 9,504,810 and 9,477,934, and outstanding shares – 9,402,034 and 9,375,158 at September 30, 2024 and December 31, 2023, respectively	9	9
Treasury stock, 102,776 shares at cost	(33)	(33)
Additional paid-in capital	21,442	19,911
Accumulated deficit	(109,468)	(105,571)
Total Abpro Corporation's stockholders' deficit	(88,050)	(85,684)
Non-controlling interest	549	549
Total stockholders' deficit	(87,501)	(85,135)
Total liabilities, convertible preferred stock and stockholders' deficit	**$ 3,375**	**$ 3,355**

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

ABPRO CORPORATION AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except share and per share data)
(Unaudited)

	For the Nine Months ended September 30,	
	2024	**2023**
Revenue:		
Research and development services	$ 183	$ -
Collaboration revenue	-	52
Royalty	-	23
Total revenues	183	75
Operating expenses:		
Research and development	2,469	3,108
General and administrative	4,864	4,899
Total operating expenses	7,333	8,007
Loss from operations	(7,150)	(7,932)
Other (expense) income:		
Other income	3,556	-
Interest income	3	60
Interest expense	(306)	(15)
Total other income, net	3,253	45
Net loss	$ (3,897)	$ (7,887)
Net loss per share		
Basic and diluted	$ (0.42)	$ (0.84)
Weighted average shares outstanding - basic and diluted	9,389,207	9,351,932

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

ABPRO CORPORATION AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF CONVERTIBLE PREFFERED STOCK AND STOCKHOLDERS' DEFICIT
For the Nine Months Ended September 30, 2024 and 2023
(Amounts in thousands, except share data)
(Unaudited)

	Series A Redeemable, Convertible Preferred Stock		Series B Convertible Preferred Stock		Series C Convertible Preferred Stock		Series D Convertible Preferred Stock		Series E Convertible Preferred Stock		Series F Convertible Preferred Stock		Total Convertible Preferred Stock	Common Stock		Treasury Stock		Additional Paid-In Capital	Accumulated Deficit	Total Abpro's Stockholders' Deficit	Non-controlling Interest	Total Stockhold Deficit
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Amount	Shares	Amount	Shares	Amount					
Balances, as of December 31, 2023	19,254	$ 1,795	626,636	$ 1,401	2,005,687	$ 14,949	1,220,261	$ 17,622	3,303,966	$ 29,841	555,555	$ 9,991	$ 75,599	9,477,934	$ 9	(102,776)	$ (33)	$ 19,911	$ (105,571)	$ (85,684)	$ 549	$ (85
Vesting of restricted stock units	-	-	-	-	-	-	-	-	-	-	-	-	-	26,876	-	-	-	-	-	-	-	
Share-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,531	-	1,531	-	1
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,897)	(3,897)	-	(3
Balances, as of September 30, 2024	19,254	$ 1,795	626,636	$ 1,401	2,005,687	$ 14,949	1,220,261	$ 17,622	3,303,966	$ 29,841	555,555	$ 9,991	$ 75,599	9,504,810	$ 9	(102,776)	$ (33)	$ 21,442	$ (109,468)	$ (88,050)	$ 549	$ (87
Balances, as of December 31, 2022	19,254	$ 1,795	626,636	$ 1,401	2,005,687	$ 14,949	1,220,261	$ 17,622	3,303,966	$ 29,841	555,555	$ 9,991	$ 75,599	9,440,434	$ 9	(102,776)	$ (33)	$ 17,606	$ (93,865)	$ (76,283)	$ 549	$ (75
Vesting of restricted stock units	-	-	-	-	-	-	-	-	-	-	-	-	-	28,126	-	-	-	-	-	-	-	
Share-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,734	-	1,734	-	1
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,887)	(7,887)	-	(7
Balances, as of September 30, 2023	19,254	$ 1,795	626,636	$ 1,401	2,005,687	$ 14,949	1,220,261	$ 17,622	3,303,966	$ 29,841	555,555	$ 9,991	$ 75,599	9,468,560	$ 9	(102,776)	$ (33)	$ 19,340	$ (101,752)	$ (82,436)	$ 549	$ (81

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

ABPRO CORPORATION AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)
(Unaudited)

	For the Nine Months Ended September 30,	
	2024	**2023**
Cash Flows from Operating Activities:		
Net loss	$ (3,897)	$ (7,887)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	67	210
Share-based compensation	1,531	1,734
Amortization of operating lease right-of-use assets	408	382
Other income (see Note 2)	(3,556)	-
Noncash interest expense	53	-
Changes in operating assets and liabilities:		
Accounts receivable	(214)	1,977
Prepaid expenses and other current assets	(62)	(209)
Accounts payable	325	(733)
Accrued expenses	551	(214)
Deferred revenue	-	(52)
Operating lease liability	(421)	(372)
Net cash used in operating activities	(5,215)	(5,164)
Cash Flows from Investing Activities:		
Purchase of property and equipment	-	(48)
Net cash used in investing activities	-	(48)
Cash Flows from Financing Activities:		
Proceeds from promissory notes	4,877	-
Payment of offering costs	(365)	-
Repayment of finance lease liabilities	(17)	(165)
Net cash provided by (used in) financing activities	4,495	(165)
Net change in cash and restricted cash	(720)	(5,377)
Cash and restricted cash - beginning of period	861	7,462
Cash and restricted cash - end of period	$ 141	$ 2,085
Supplemental disclosure of cash flow information and non-cash transactions:		
Interest paid	$ 1	$ 14
Deferred offering costs included in accounts payable	$ 575	$ -
Reclassification of residual value guarantees under finance lease to accrued expense	$ 113	$ -
As reported within the unaudited condensed consolidated balance sheets:		
Cash	$ 1	$ 1,947
Restricted cash	140	138
Total cash and restricted cash as presented in the balance sheet	$ 141	$ 2,085

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

1. Organization and Description of the Business

Nature of Operations

Abpro Corporation (the "Company") founded in 2004, was incorporated under the laws of the State of Delaware. The Company is headquartered in Woburn, Massachusetts.

The Company is a biotechnology company dedicated to developing next-generation antibody therapeutics to improve the lives of patients with severe and life-threatening diseases. The Company is focused on the development of novel antibodies using its proprietary discovery and engineering platforms, primarily in the areas of immuno-oncology, ophthalmology and infectious disease.

Risks and Uncertainties

The Company is subject to risks and uncertainties common to early-stage companies in the biotechnology industry, including, but not limited to, development by competitors of more advanced or effective therapies, dependence on key executives, protection of and dependence on proprietary technology, compliance with government regulations and ability to secure additional capital to fund operations. Programs currently under development will require significant additional research and development efforts, including preclinical and clinical testing and regulatory approval prior to commercialization. These efforts require significant amounts of additional capital, adequate personnel and infrastructure, and extensive compliance-reporting capabilities. Even if the Company's product development efforts are successful, it is uncertain when, if ever, the Company will realize significant revenue from product sales.

Business Combination Agreement

On November 13, 2024 (the "Closing Date"), the Company consummated a business combination (the "Closing" of the "Business Combination") pursuant to the terms of the Business Combination Agreement, dated as of December 11, 2023 (the "Business Combination Agreement") by and among the Company, Atlantic Coastal Acquisition Corp. II, a Delaware corporation ("ACAB") and Abpro Merger Sub Corp., a Delaware corporation ("Merger Sub"). Pursuant to the Business Combination Agreement, on the Closing Date, (i) ACAB changed its name to "Abpro Holdings, Inc.," ("New Abpro") and (ii) Merger Sub merged with and into the Company, with the Company as the surviving company in the Business Combination. After giving effect to the Business Combination, the Company became a wholly owned subsidiary of ACAB. Shares of New Abpro commenced trading on the Nasdaq Capital Market on November 14, 2024.

Immediately prior to the effective time of the Business Combination, the Company's Preferred Shares that were issued and outstanding were converted into shares of the New Abpro's common stock. As a result of the Business Combination, among other things, each share of the Company's common stock, par value $0.001 per share, was converted into the right to receive the number of shares of newly issued ACAB Series A Common Stock (the "ACAB New Common Shares"), par value $0.0001 per share, calculated based on the Exchange Ratio as set forth in the Business Combination Agreement. The Company's common stock was exchanged for 39,123,200 shares of ACAB New Common Shares at the Closing Date.

Following the Closing, the Company's stockholders shall be issued up to 14,500,000 additional shares of the Post-Combination Company common stock ("Earnout Shares") if, within five calendar years after the closing of the Business Combination, the volume weighted average price of shares of Series A Common Stock on Nasdaq, or any other national securities exchange on which the shares of Series A Common Stock are then traded ("VWAP") meets or exceeds three-tier target prices defined in the agreement, as follows:

a) one-third of the total Earnout Shares, if, the VWAP is greater than or equal to $13.00 over any 20 trading days within any consecutive 30 trading day period (the "First Share Target")

b) one-third of the total Earnout Shares, if, the VWAP is greater than or equal to $15.00 over any 20 trading days within any consecutive 30 trading day period (the "Second Share Target")

c) one-third of the total Earnout Shares, if, the VWAP is greater than or equal to $18.00 over any 20 trading days within any consecutive 30 trading day period (the "Third Share Target").

If following the Closing, a Change of Control (as defined in the Business Combination Agreement) occurs on or before the five year anniversary of the Closing Date, then if (i) the per share value of the consideration to be received by stockholders in connection with the Change of Control exceeds $13.00 per share and the First Share Target has not been previously achieved, then the First Share Target will be deemed to have been achieved, (ii) the per share value of the consideration to be received by stockholders exceeds $15.00 per share and the Second Share Target has not been previously achieved, then the Second Share Target will be deemed to have been achieved, and (iii) the per share value of the consideration to be received by stockholders exceeds $18.00 per share and the Third Share Target has not been previously achieved, then the Third Share Target will be deemed to have been achieved. Any Contingency Consideration that is not deemed to be earned in connection with the Change of Control shall be forfeited by the stockholders for no consideration.

Pursuant to the terms of the Business Combination Agreement, 600,601 shares of Series A common stock of New Abpro were issued at Closing to ACAB's sponsor, Atlantic Coastal Management II LLC (the "Sponsor") in lieu of repayment of $2,000,000 of Unpaid SPAC Expenses (as defined in the Business Combination Agreement) owed to the Sponsor as a result of advances made by the Sponsor to ACAB.

In connection with the Closing, ACAB's articles of incorporation were amended to designate two classes of shares; preferred and common shares.

PIPE Subscription Agreements

On August 22, 2024, ACAB entered into a subscription agreement (the "Abpro Bio Subscription Agreement") with Abpro Bio International, Inc. ("ABI"), pursuant to which ABI agreed to subscribe for and purchase, and ACAB agreed to issue and sell, 622,467 newly-issued shares of Series A common stock, of ACAB substantially concurrently with the closing of the Business Combination at a price of $10.00 per share, for an aggregate purchase price of $6,225, of which $4,225 through the conversion of the balance due by the Company to ABI under the promissory note agreement (see Note 8) and the remainder of $2,000 in cash. At the Closing, ABI received 622,467 in New Abpro shares in exchange for the $4,225 conversion of the promissory note and $2,000 cash as described above. In addition, pursuant to the Abpro Bio Subscription Agreement, ABI received an aggregate of 1,244,934 shares of Series A common stock reserved for use in the PIPE Financing or to obtain capital for ACAB or the surviving company, as defined in the Business Combination Agreement (the "Incentive Shares").

On August 22, 2024, ACAB entered into a subscription agreement (the "Celltrion Subscription Agreement", together with the "Abpro Bio Subscription Agreement", collectively the "PIPE Subscription Agreements") with Celltrion, pursuant to which Celltrion agreed to subscribe for and purchase, and ACAB agreed to issue and sell, 500,000 newly-issued shares of Series A common stock, of ACAB substantially concurrently with the closing of the Business Combination, at a price of $10.00 per share, for an aggregate purchase price of $5,000. Such shares of New Abpro were issued on the Closing Date. In addition, Celltrion received an aggregate of 1,000,000 Incentive Shares.

Non-Redemption Agreement

On November 5, 2024, the Company and ACAB entered into a non-redemption agreement (the "Non-Redemption Agreement"), with Sandia Investment Management LP on behalf of certain funds, investors, entities or accounts for which it or its affiliates acts as manager, sponsor or advisor (the "NRA Investors"). Pursuant to such Non-Redemption Agreement, each NRA Investor agreed to rescind or reverse any previously submitted redemption demand of the common stock of the Company held or to be acquired by such NRA Investor (the "NRA Investor Shares") up to 124,352 shares of common stock in the aggregate.

At the Closing Date, the NRA Investors reversed redemption demands with respect to 11,043 Series A Common stock shares. Pursuant to the Non-Redemption Agreement, upon consummation of the Business Combination, ACAB shall pay or cause to be paid to the NRA Investors a payment in respect of their respective NRA Investor Shares from cash released from the trust account established in connection with ACAB's initial public offering equal to the number of NRA Investor Shares multiplied by the redemption price, minus the number of NRA Investor Shares multiplied by $9.00. As such, New Abpro shall pay to the NRA Investors $26, based on the redemption price of $11.36 at the Closing Date.

Standby Equity Purchase Agreement

On October 30, 2024, the Company and ACAB entered into a Standby Equity Purchase Agreement (the "SEPA") with YA II PN, Ltd. ("Yorkville").

Pre-Paid Advances

Subject to the satisfaction of the conditions set forth in the SEPA, Yorkville shall advance to the post-combination Company the aggregate principal amount of $5,000 (the "Pre-Paid Advance"), which shall be evidenced by convertible promissory notes (each a "SEPA Promissory Note"). On November 14, 2024, New Abpro received the first Pre-Paid Advance and entered into the Yorkville Note (defined below). The second Pre-Paid Advance shall be in a principal amount of $2,000 and advanced on the later of (i) the second trading day after the initial registration statement filed pursuant to the Registration Rights Agreement (as defined below) becomes effective and (ii) the second trading day after the required shareholder approval to issue shares of the post-combination Company's common stock in excess of the Exchange Cap (as defined) has been obtained. At each Pre-Advance Closing, Yorkville shall advance to the post-combination Company the principal amount of the Pre-Paid Advance, less a discount in an amount equal to 8% of the principal amount of the Pre-Paid Advance netted from the purchase price due and structured as an original issue discount, in immediately available funds to an account designated by the post-combination Company in writing, and the post-combination Company shall deliver a SEPA Promissory Note having a principal amount equal to the full amount of such Pre-Paid Advance, duly executed on behalf of the post-combination Company.

On November 14, 2024, pursuant to the SEPA, New Abpro entered into a Convertible Promissory Note ("Yorkville Note") for $3,000,000, and received net proceeds of $2,755,000. The Yorkville Note has a maturity of November 13, 2025, incurs interest at a rate of 0% (or 18% upon the occurrence of an uncured Event of Default), and is redeemable at the option of New Abpro if the VWAP of New Abpro's Common Stock is less than $11.50. New Abpro has a right to convert any portion of the Yorkville Note at any time at a conversion price equal to the lower of $11.50, 94% of the daily VWAP during the previous 5 consecutive trading days, which may be adjusted downward upon payment of stock dividend, stock split or reclassification, or if New Abpro issues Common Stock for no consideration or at a price lower than the then-effective Fixed Price (as defined in the Yorkville Note).

Advances

Upon the Closing of the Business Combination, the post-combination Company has the right, but not the obligation, to issue shares of its common stock pursuant to the SEPA to Yorkville ("Advance Shares", and such issuance and sale, an "Advance") and Yorkville shall subscribe for and purchase from the post-combination Company such Advance Shares, through written notice by the post-combination Company to Yorkville ("Advance Notice"), provided (i) no balance is outstanding under a SEPA Promissory Note, or (ii) if there is a balance outstanding under a SEPA Promissory Note, an Amortization Event (as defined in the SEPA Promissory Note), has occurred in accordance with and subject to the terms of the SEPA. The post-combination Company has the discretion to select the number of Advance Shares, not to exceed the Maximum Advance Amount (as defined below), that it desires to issue and sell to Yorkville in each Advance Notice. If any amount remains outstanding under any SEPA Promissory Note, without the prior written consent of Yorkville, the post-combination Company may only (other than with respect to a deemed Advance Notice pursuant to an Investor Notice (described below)) submit an Advance Notice (A) if an Amortization Event has occurred and the obligation of the post-combination Company to make monthly prepayments under the SEPA Promissory Note has not ceased, and (B) Yorkville pays the aggregate purchase price owed to the post-combination Company from such Advance by offsetting the amount of the Advance Proceeds against an equal amount outstanding under the subject SEPA Promissory Note, subject to the terms and conditions of the SEPA.

For as long as there is an outstanding balance under a SEPA Promissory Note, Yorkville has the right, but not the obligation, by delivery to the post-combination Company of Investor Notices (as defined in the SEPA), to cause an Advance Notice to be deemed delivered by Yorkville, which triggers the issuance and sale of Advance Shares to Yorkville, subject to terms and conditions as specified in the SEPA.

"Maximum Advance Amount" means (A) in respect of each Advance Notice delivered by the Company under the applicable provisions of the SEPA, an amount equal to one hundred percent (100%) of the average of the daily traded amount of its shares of common stock during the five consecutive trading days immediately preceding an Advance Notice, and (B) in respect of each Advance Notice deemed delivered by the Company pursuant to an Investor Notice, the amount selected by Yorkville in such Investor Notice, which amount shall not exceed the limitations set forth in Section 3.02 of the SEPA, including, among other things, (i) that all shares of the post-combination Company's common stock beneficially owned by Yorkville and its affiliates shall not exceed 4.99% of the then outstanding voting power of the Company or number of shares of the Company's common stock, (ii) that the aggregate number of shares issued and sold to Yorkville by the Company under the SEPA shall not exceed the amount registered in respect of the transaction contemplated by the SEPA under the Registration Statement (as defined below) then in effect and (iii) that the aggregate number of shares of common stock issued pursuant to the Pre-Paid Advances (including the aggregation with the issuance of common stock under other Advances) cannot exceed 19.9% of the common stock of the post-combination Company outstanding as of the effective date of the SEPA (the "Exchange Cap"). The Exchange Cap shall not be applicable if: (a) the post-combination Company's stockholders have approved the issuance of common stock in excess of the Exchange Cap in accordance with the applicable rules of Nasdaq Stock Market LLC ("Nasdaq") or (b) the average price of all sales of common stock under the SEPA equals or exceed the lower of (i) the Nasdaq official closing price immediately preceding the effective date of the SEPA; or (ii) the average Nasdaq official closing price for the five trading days immediately preceding the effective date. The SEPA contemplates purchase by Yorkville of up to $50 million in aggregate gross purchase price for newly issued shares of the post-combination Company common stock.

The purchase price for the Advance Shares shall be the price per Advance Share obtained by multiplying the Market Price (i) by 96% in respect of an Advance Notice delivered by the Company with an Option 1 Pricing Period (defined by reference to VWAP on the trading day the Advance Notice is submitted), (ii) 97% in respect of an Advance Notice with an Option 2 Pricing Period (defined by reference to the lowest daily VWAP on three consecutive trading days commencing on the Advance Notice Date), or (iii) in the case of any Advance Notice delivered pursuant to an Investor Notice, equal to the Conversion Price (as defined in the SEPA Promissory Note).

Registration Rights Agreement

ACAB, Abpro and Yorkville also entered into a registration rights agreement (the "Registration Rights Agreement"), dated October 30, 2024, pursuant to which the ACAB agreed to file with the Securities and Exchange Commission a registration statement covering the resale of the applicable registrable securities under the Registration Rights Agreement, including the Company's shares of common stock issuable to Yorkville under the SEPA. The SEPA, Registration Rights Agreement, and the SEPA Promissory Note, and the documents executed in connection therewith, are referred to herein collectively as the "Financing Agreements."

Forward Purchase Agreement

On November 7, 2024, ACAB and the Company entered into a Confirmation of an OTC Equity Prepaid Forward Transaction (the "Forward Purchase Agreement" or "Transaction")) with Yorkville (the "Seller") to which a maximum of up to 500,000 Shares (as defined below) (the "Maximum Number of Shares") will be subject. For purposes of the Forward Purchase Agreement, (i) ACAB is referred to as the "Counterparty" prior to the consummation of the Business Combination, while New Abpro is referred to as the "Counterparty" after the consummation of the Business Combination and (ii) "Shares" means shares of the Series A common stock, par value $0.0001 per share, of the Company prior to the closing of the Business Combination ("ACAB Shares"), and, after the closing of the Business Combination, shares of common stock, par value $0.0001 per share, of New Abpro ("New Abpro Shares"). At the Closing Date, the Seller purchased 100,000 shares from third parties ("Recycled Shares"), pursuant to the pricing date notice dated November 12, 2024. Pursuant to the terms of the Forward Purchase Agreement, on the Closing Date, the Seller paid approximately $1,100 (the "Prepayment Amount") equal to $11.36 per Recycled Share (the "Initial Price").

The number of Recycled Shares subject to the Forward Purchase Agreement (being in no event more than the Maximum Number of Shares, the "Number of Shares") is subject to reduction following a termination of the Forward Purchase Agreement with respect to such shares as described under "Optional Early Termination" in the Forward Purchase Agreement.

The reset price (the "Reset Price") will initially be $10.00. The Reset Price will be subject to reset on a weekly basis commencing with the first full week following the Closing Date, to be the lowest of (a) the then current Reset Price, (b) $10.00 and (c) the VWAP Price of the Shares of the last 3 trading days in such week; provided, that in the event of a Dilutive Offering by the Counterparty, the Reset Price will also be reduced to equal the effective price per share in such Dilutive Offering immediately upon the occurrence of such Dilutive Offering. Furthermore, in the event that the Counterparty engages in a stock split, a reverse stock split or pays dividends in the form of Shares, the Reset Price shall be adjusted to reflect the effect thereof.

From time to time and on any date following the Trade Date (any such date, an "OET Date") and subject to the terms and conditions in the Forward Purchase Agreement, the Seller may, in its absolute discretion, terminate the Transaction in whole or in part by providing written notice to the Counterparty (the "OET Notice"), by no later than the next Payment Date following the OET Date, (which will specify the quantity by which the Number of Shares will be reduced (such quantity, the "Terminated Shares")). The effect of an OET Notice will be to reduce the Number of Shares by the number of Terminated Shares specified in such OET Notice with effect as of the related OET Date. As of each OET Date, the Counterparty will be entitled to an amount from the Seller, and the Seller will pay to the Counterparty an amount, equal to the product of (x) the number of Terminated Shares and (y) the Reset Price in respect of such OET Date. The payment date may be changed within a month at the mutual agreement of the parties.

The "Valuation Date" is the earliest to occur of (a) the date that is 3 months after the Closing Date and (b) the date specified by the Seller in a written notice to be delivered to the Counterparty at the Seller's discretion (which Valuation Date will not be earlier than the day such notice is effective) after the occurrence of any of (x) a VWAP Trigger Event, (y) a Delisting Event or (z) unless otherwise specified therein, upon any Additional Termination Event (defined below). The Valuation Date notice will become effective immediately upon its delivery from the Seller to the Counterparty in accordance with the Forward Purchase Agreement. Each of the following constitute an Additional Termination Event; (a) The Business Combination Agreement is terminated pursuant to its terms prior to the closing of the Business Combination; and (b) If it is, or, as a consequence of a change in law, regulation or interpretation, it becomes or will become, unlawful for the Seller to perform any of its obligations contemplated by the Transaction.

On the Cash Settlement Payment Date, which is the tenth local business day immediately following the last day of the Valuation Period, the Seller will remit to the Counterparty a cash amount (the "Settlement Amount") equal to (i) the Number of Shares as of the Valuation Date, multiplied by (ii) the difference of (a) the volume weighted daily VWAP Price over the Valuation Period, less (b) $0.50, and the Seller will not otherwise be required to return to the Counterparty any of the Prepayment Amount. In the event that the difference of (a) the volume weighted daily VWAP Price over the Valuation Period, less (b) $0.50, is equal to or less than $0, then the Settlement Amount shall be $0.

The Seller has agreed to waive any redemption rights with respect to any Recycled Shares in connection with the Business Combination only during the term of the Forward Purchase Agreement. Such waiver may reduce the number of Shares redeemed in connection with the Business Combination, and such reduction could alter the perception of the potential strength of the Business Combination.

Severance Agreement

On November 21, 2024, the Company entered into a severance agreement with an executive of the post-combination Company (the "Severance Agreement"). Pursuant to the terms of the Severance Agreement, the Company made a severance payment of $221 upon execution of the agreement. The Severance Agreement supersedes and extinguishes all other agreements between the executive and the Company including, but not limited to, the ACAB Executive Note (see Note 8).

Going Concern

The Company is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt abouts its ability to continue as a going concern within one year after the date that the condensed consolidated financial statements are available to be issued. Through September 30, 2024, the Company has funded its operations mainly through equity and debt financings, and to a lesser extent, payments received in connection with collaboration and license agreements.

Since inception, the Company has incurred recurring losses. The Company's net losses totaled $3,897 and $7,887 for the nine months ended September 30, 2024 and 2023, respectively. The Company had an accumulated deficit of $109,468 as of September 30, 2024. The Company expects to incur operating losses for the foreseeable future.

On October 18, 2023, the Company entered into a promissory note agreement with ABI, a significant investor in the Company's Series E and F convertible preferred stock (See Note 8), to receive up to $6,000. The Company received $5,225 through the date of issuance of these condensed consolidated financial statements under this promissory note, including $2,783 during the nine months ended September 30, 2024 (see Note 8 for terms and conditions).

On April 18, 2024, the Company entered into a promissory note agreement with one of its executives (See Note 8 for terms and conditions) to receive, as amended, up to $2,158 in funding. The Company received $1,997 through the date of issuance of these unaudited condensed consolidated financial statements under this promissory note, including $1,991 during the nine months ended September 30, 2024.

On August 16, 2024, an executive at ACAB agreed to loan the Company $103 and the Company agreed to repay a total of $206 at the earlier of i) November 20, 2024, and ii) the closing of the Business Combination. On November 21, 2024, the ACAB Executive Note was amended and the liability to the ACAB executive was cancelled. According to the terms of the amended note, the Company will repay the principal amount of $103. See Note 8.

On October 7, 2024, the Company entered into an additional promissory note with ABI ("the 2024 ABI Note") to receive up to $1,000 from ABI in weekly installment of $250. The note accrues 10% interest and matures 5 business days after receipt of the proceeds under the PIPE Subscription Agreements. The Company received $1,000 under this note as of the Closing Date, and the balance of $1,000 was repaid in connection with the Closing.

In connection with the Closing of the Business Combination, the Company received approximately $2,300.

The future viability of the Company is largely dependent on its ability to raise additional capital to finance its operations. The Company expects to seek additional funding through equity and debt financings, collaboration agreements and research grants. Although the Company has been successful in raising capital in the past, there is no assurance that it will be successful in obtaining such additional financing on terms acceptable to the Company, if at all. If the Company is unable to obtain funding, the Company could be forced to delay, reduce or eliminate its research and development programs, product portfolio expansion or commercialization efforts, which could adversely affect its business prospects.

Accordingly, based on the considerations discussed above, management has concluded there is substantial doubt as to the Company's ability to continue as a going concern within one year after the date the condensed consolidated financial statements are issued. The Company plans to continue to fundraise, as well as seek alternate revenues from collaboration and license agreements. If adequate funds are not available, the Company may require initiating steps to slow cash burn, extending the cash runway until financing can be secured. The unaudited condensed consolidated financial statements do not include any adjustments with respect to the carrying amounts of assets and liabilities and their classification that might result from the outcome of this uncertainty.

2. Summary of Significant Accounting Policies

For the nine months ended September 30, 2024, there have been no changes to the significant accounting policies as disclosed in Note 2 to the Consolidated Financial Statements included in the Company's consolidated financial statements for the year ended December 31, 2023.

Basis of Presentation

The condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and the applicable rules and regulations of the U.S. Securities and Exchange Commission ("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. These financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2023. The accompanying unaudited condensed financial statements include all adjustments that are of a normal recurring nature and necessary for the fair presentation of the results for the interim periods presented. Results for interim periods are not necessarily indicative of results to be expected for the full year.

The accompanying condensed consolidated financial statements include all of the accounts of the Company and its subsidiary, AbMed Corporation ("AbMed"). All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and judgments that affect the amounts reported in the consolidated financial statements and accompanying notes. Significant estimates in these consolidated financial statements include stock-based compensation expense, fair value of common stock, revenue allocated to various performance obligations under license and collaboration agreements, pre-clinical and clinical accrued expenses, discount rates in relation to lease right-of-use assets and liabilities, valuation and realizability of deferred tax assets and the ability to continue as a going concern. On an ongoing basis, the Company evaluates its estimates, judgments, and methodologies. The Company bases its estimates on historical experience and on various other assumptions believed to be reasonable. Due to the inherent uncertainty involved in making estimates, actual results could differ materially from those estimates.

In March 2022, the Company received an invoice from Mabwell (Shanghai) Bioscience Co., Ltd. ("Mabwell") for approximately $3,500 in connection with the manufacturing of certain clinical material for the Company. The Company recorded the estimated amount in accounts payable based on the information available at the time, and subsequently engaged in discussion with Mabwell about the invoiced amount and its validity. The Company continued to dispute the amount and its contractual basis because the parties had neither finalized nor executed a clinical trial manufacturing agreement. In July 2024, the Company received communication from Mabwell that they will not be pursuing the collection of the originally invoiced amount. Accordingly, during the nine months ended September 30, 2024, the Company reversed the liability and recognized approximately $3,500 of other income.

Deferred Offering Costs

Deferred offering costs consist of legal, accounting, underwriting fees and other costs that are directly related to the Business Combination. These costs will be accounted for as a reduction of proceeds received at the Closing Date. As of September 30, 2024 and December 31, 2023, the Company had deferred offering costs of $1,817 and $878.

Non-controlling Interest

The Company holds an 82% ownership interest in its consolidated subsidiary, AbMed. Non-controlling interest represents the portion of net book value in AbMed that is not owned by the Company and is reported as a component in stockholders' equity on the condensed consolidated balance sheets. The Company bears all the operating costs of AbMed. Upon an event of default by the Company or upon a liquidation of AbMed, the non-controlling interest holder has the right to put its interest in AbMed to the Company. The amount to be paid under the redemption option is equal to $2.00 per share for each preferred share of AbMed stock held by the non-controlling interest holder plus all accrued and unpaid dividends thereon. The Company has not allocated any losses to the noncontrolling interests given that the preferred shares held by the non-controlling interest holder have no contractual obligations to share in the losses of AbMed. There were no operating activities in AbMed during the nine months ended September 30, 2024 and 2023.

Net Loss Per Share

The Company follows the two-class method to compute basic and diluted net loss per share attributable to common stockholders when shares meet the definition of participating securities. Series A, Series B, Series C, Series D, Series E and Series F (see Note 9) meet the definition of participating securities. The two-class method determines net income loss per common share for each class of common and participating securities according to dividends declared or accumulated and participation rights in undistributed earnings. The two-class method requires income available to common stockholders for the period to be allocated between common and participating securities based upon their respective rights to share in the earnings as if all income for the period had been distributed. During periods of loss, there is no allocation required under the two-class method due to there being no distributed earnings for the period coupled with the fact that the Company's Series A, Series B, Series C, Series D, Series E and Series F do not contain a contractual right to absorb losses. Thus, all undistributed losses were allocated entirely to the Company's outstanding common stock for all periods presented.

Basic net loss per share attributable to common stockholders is computed by dividing net loss attributable to common stockholders by the weighted-average number of common shares outstanding during the period without consideration of potentially dilutive common stock. Diluted net loss per share attributable to common stockholders reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the Company unless inclusion of such shares would be anti-dilutive. As the Company has incurred losses for the nine months ended September 30, 2024 and 2023, basic and diluted net loss per share is the same for each period.

The following table presents the potentially dilutive shares that were excluded from the computation of diluted net loss per share of common stock attributable to common stockholders, because their effect was anti-dilutive:

	September 30,	
	2024	**2023**
Convertible Preferred Stock	9,725,520	9,725,520
Warrants	61,009	61,009
Stock options	5,063,799	5,426,709
Unvested restricted stock units	18,959	55,209
Total	14,869,287	15,268,447

Segment Reporting

The Company conducts its business activities and reports financial results as one operating segment and one reportable segment, which is consistent with the Company structure and the way the Company operates its business.

Recently Issued Accounting Pronouncements

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

In November 2023, FASB issued Accounting Standards Update ("ASU") 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures to improve disclosure requirements about reportable segments and address requests from investors for additional, more detailed information about a reportable segment's expenses. This ASU requires that a public entity that has a single reportable segment provide all the disclosures required by the amendments in this ASU and all existing segment disclosures in Topic 280. Additionally, this ASU requires disclosures of significant segment expenses provided to the Chief Operating Decision Maker ("CODM") and included in reported measures of segment profit and loss. Disclosure of the title and position of the CODM is required. This ASU requires interim and annual disclosures about a reportable segment's profit or loss and assets. Furthermore, this ASU requires disclosure of other segment items by reportable segment including a description of its composition. This ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, on a retrospective basis. The disclosures will be implemented as required for the year-ended December 31, 2024. The Company is currently evaluating the impact of adopting this standard on its financial statements.

On November 4, 2024, the FASB issued ASU 2024-03, Accounting Standards Update 2024-03, Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses to improve financial reporting by requiring that public business entities disclose additional information about specific expense categories in the notes to financial statements at interim and annual reporting periods. The amendments in this ASU do not change or remove current expense disclosure requirements; however, the amendments affect where such information appears in the notes to financial statements because entities are required to include certain current disclosures in the same tabular format disclosure as the other disaggregation requirements in the amendments. This ASU is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the potential impact that the adoption of this standard will have on its financial statements.

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

3. Property and Equipment

The Company's property and equipment include the following:

	September 30, 2024	December 31, 2023
Furniture and fixtures	$ 53	$ 53
Lab equipment	1,097	1,097
Computer hardware and software	15	15
Leasehold improvements	788	788
Equipment under finance leases	740	740
Property and Equipment	2,693	2,693
Less: Accumulated Depreciation	(2,651)	(2,591)
Total	$ 42	$ 102

Depreciation expense was $60 and $203 for the nine months ended September 30, 2024 and 2023, respectively.

4. Accrued Expenses

Accrued expenses consisted of the following:

	September 30, 2024	December 31, 2023
Accrued salaries and wages	$ 1,721	$ 1,398
Accrued professional fees	96	93
Accrued interest	196	5
Other accrued expenses	732	585
Total accrued expenses	$ 2,745	$ 2,081

5. License and Collaboration Agreements

NJCTTQ Collaboration Agreement

In January 2019, the Company entered into a collaboration agreement with Nanjing Chia Tai Tianquing Pharmaceutical Co., Ltd. ("NJCTTQ") to research, develop and commercialize two anti-Claudin 18.2 lead antibodies (the "NJCTTQ agreement"). Under the NJCTTQ agreement, the Company granted a non-exclusive, non-sublicensable research license and an exclusive, sublicensable license to NJCTTQ within the People's Republic of China and Thailand (the "NJCTTQ Territory"). The initial term of this agreement was 5 years, which could be automatically renewed for another 5 years. If no collaboration project reached the clinical stage within the first 5 years of the NJCTTQ agreement, then this agreement would not have been renewed. The agreement expired in January 2024.

The Company is eligible to receive up to an aggregate of $405,000 of non-refundable milestone payments from NJCTTQ upon achieving certain development, regulatory approval, and commercialization and sales milestones for each unique licensed antibody or product in NJCTTQ Territory. The Company agreed to pay NJCTTQ up to an aggregate of $5,000 in nonrefundable amounts upon achieving of a regulatory milestone in the Company's territory, which includes all other countries other than the NJCTTQ Territory. No milestones have been reached through the expiration of this agreement in January 2024, no products were sold by NJCTTQ, and no related revenue amounts have been recorded in the accompanying consolidated financial statements.

The Company and NJCTTQ agreed to pay reciprocal royalties, with each of them paying the other party low single-digit royalties, tiered based on net sales per calendar year in its territory. The agreement remains unrenewed as of September 30, 2024 after the expiration of its initial term. However, notwithstanding the agreement's expiration, the low single-digit royalties and the $5,000 regulatory milestone payable to NJCTTQ based on commercial approval in the Company's territory, as described above, will continue to apply. Through September 30, 2024, no products were sold by NJCTTQ or the Company under the NJCTTQ agreement and no regulatory milestones were achieved by the Company in the Company's territory.

ABP-100 Collaboration and License Agreement

In December 2019, the Company entered into an exclusive collaboration and license agreement with a related party, ABI (the "ABP-100 agreement"). Under the ABP-100 agreement, the Company granted ABI the license to develop and commercialize products and services based on the Company's Her2-hu-OKT3 bispecific antibody ("ABP-100") within the territories of People's Republic of China, Japan, South Korea, Southeast Asia, the Middle East and the Commonwealth of Independent States, as defined in the agreement. Unless earlier terminated, the ABP-100 agreement, will expire upon the satisfaction of all obligations under the agreement following the expiration of the last royalty payment obligation. Either party may terminate the agreement in the event of any uncured material breach by the other party. The license granted under the ABP-100 agreement was a sub-license from Memorial Sloan Kettering Cancer Center ("MSK") pursuant to MSK License Agreement (see Note 6). This agreement was terminated due to the termination of the MSK License Agreement in September 2023.

Under the ABP-100 agreement, ABI agreed to use commercially reasonable efforts to reach certain development and commercial milestones for at least one licensed product or licensed service within specified timeframes. ABI is committed to pay the Company running royalties on net sales of any licensed products or services from the mid-single digit percentages to the low double-digit percentage, and the guaranteed annual minimum royalties of $30 starting on the first anniversary of the effective date of the agreement (which annual minimum royalties may be credited against the running royalties on net sales of any licensed products or services). Through the termination of this agreement in September 2023, no products were sold by ABI under the ABP-100 agreement. During the nine months ended September 30, 2024 and 2023, the Company earned $0 and $23 in minimum royalty payments, included in royalty revenue. As of both September 30, 2024 and December 31, 2023, the accounts receivable were $53, associated with the minimum royalties under this agreement.

In addition to the royalty payments, the Company could receive up to $498,000 in milestone payments per licensed product or licensed service upon the achievement of specified research and development and sales milestone events. No milestones have been reached through the termination of this agreement in September 2023.

The Company was also entitled to research funding fees for costs incurred by the Company for certain sponsored research activities and the reimbursement of 60% of the costs of certain product development directed activities, as outlined in the agreement. During the nine months ended September 30, 2024 and 2023, the Company did not earn any research funding fees.

Further, the Company was to be reimbursed for patent costs for all documented out of pocket associated with the preparation, filing, prosecution and maintenance of patent rights in the license territory. The Company did not receive any reimbursements of patent costs during the nine months ended September 30, 2024 and 2023.

ABP-201 Collaboration and License Agreement

In January 2020, the Company's consolidated subsidiary, Abmed, entered into a collaboration and license agreement with ABI (the "ABP-201 Agreement"), pursuant to which the Company granted to ABI an exclusive, royalty-bearing, license under specified patent rights to make, use and sell certain of its proprietary ANG-2/VEGF-HIRK bispecific antibodies within the licensed territory comprising People's Republic of China, Japan, South Korea, Southeast Asia, the Middle East and the Commonwealth of Independent States. Unless earlier terminated in accordance with its terms, the agreement remains in effect on a country-by-country basis until the expiration of the last royalty term in such country.

Under the ABP-201 agreement, ABI agreed to use commercially reasonable efforts to reach certain development and commercialization milestones for such bispecific antibodies within specified territories and timeframes. ABI is committed to pay the Company up to $56,500 in milestone payments upon achieving certain research and development events, up to $485,000 in milestone payments based on annual net sales per each licensed product, and a double-digit percentage royalty in the low teens, tiered based on cumulative net sales by ABI, its affiliates or sublicensees beginning with the first commercial sale of a licensed product in its territory. No milestones have been reached through September 30, 2024, no products were sold by ABI, and no related revenue amounts have been recorded in the accompanying consolidated financial statements.

Celltrion Collaboration and License Agreement

In September 2022, the Company entered into an exclusive collaboration and license agreement with Celltrion, Inc. (the "Original Celltrion Agreement"), a company organized and existing under the laws of South Korea ("Celltrion"). The Company and Celltrion entered into an amendment to the agreement on August 14, 2024 in connection with the execution of the Celltrion Subscription Agreement (the "Amended Celltrion Agreement"). The amendment is subject to termination by the Company or Celltrion if (i) the share purchase under the Celltrion Subscription Agreement is not completed, or (ii) the Celltrion Subscription Agreement is terminated pursuant to Section 7 of the Celltrion Subscription Agreement. Under the Amended Celltrion Agreement, the Company granted to Celltrion a worldwide exclusive license under specified patent rights to develop, make, have made, import, export, use, have used, sell and have sold certain of its proprietary ABP-102 bispecific antibodies. The License Agreement also provides that the Company is to perform certain preclinical in vitro studies. The License Agreement will remain in effect for so long as ABP-102 is being developed or commercialized anywhere in the world. Celltrion may terminate the license agreement at any time by providing six months prior written notice to the Company.

Celltrion is committed to pay the Company up to $10,000 under the Original Celltrion Agreement and $6,000 under the Amended Celltrion Agreement in milestone payments upon granting the license and achieving certain research and development events, up to $1,750,000 in milestone payments based on annual net sales per each licensed product. The proceeds from commercialization are subject to a 50/50 profit split. Amounts that may be paid by third-party collaborators, for example upfronts, milestones and/or royalty payments from territorial commercialization partners, are also subject to a 50/50 split. Following commercial approval of ABP-102, the Company has agreed to reimburse Celltrion 87.5% under the Original Celltrion Agreement and 250% under the Amended Celltrion Agreement of its direct and certain indirect costs and expenses incurred through first commercial sale. Under the Original Celltrion Agreement, Celltrion is entitled to offset amounts otherwise due to us under the agreement until our share of these costs has been paid back; provided that the Company is entitled to a minimum 25% (or 50% under the Amended Celltrion Agreement) of profit from commercial sales and from third-party collaborators regardless of the amount of unreimbursed development costs outstanding (and then 50% once the reimbursement has been made in full).

The first milestone of $2,000 was achieved upon granting the license at the collaboration effective date, as defined in the Celltrion Agreement, in December 2022 and received in January 2023. The Company allocated $64 to the initial obligation to perform in vitro testing for the research and development services and the remaining $1,936 to the license of the Company's intellectual property, bundled with the associated know-how.

The Company's initial obligation to perform in vitro testing for the research and development services represents a distinct performance obligation. The revenue for this performance obligation was be recognized on a straight-line based over the term of the studies. During the nine months ended September 30, 2024 and 2023, the Company recognized $0 and $52, respectively, in connection with this performance obligation, included in collaboration revenue. As of both September 30, 2024 and December 31, 2023, there was no deferred revenue associated with the performance obligation.

Milestone Payments. The Company is entitled to development milestones under the Celltrion Agreement and certain regulatory milestone payments which are paid upon receipt of regulatory approvals. Except for the first milestone of $2,000 achieved in 2022, no other milestone payments were earned through September 30, 2024. The Company evaluated whether the remaining milestones are considered probable of being reached and determined that their achievement is highly dependent on factors outside of the Company's control. Therefore, these payments have been fully constrained and are not included in the transaction price. At the end of each subsequent reporting period, the Company will re-evaluate the probability of achievement of each milestone and any related constraint, and if necessary, adjust its estimate of the overall transaction price. Any such adjustments will be recorded on a cumulative catch-up basis, which would affect the reported amount of collaboration revenues in the period of adjustment.

Profit Splits. As the license is deemed to be the predominant item to which profit splits relate, the Company will recognize revenue when the related sales or third-party collaborator income occur. No profit split revenue has been recognized from inception through September 30, 2024.

6. Commitments under Research and Collaboration Agreements

MedImmune License Agreement

In August 2016, the Company entered into a collaboration and license agreement with MedImmune Limited ("MedImmune"), pursuant to which the Company received from MedImmune an exclusive, worldwide, royalty-bearing, sublicensable (subject to certain conditions) license to certain intellectual property rights relating to the Company's ABP-200 product candidates (the "MedImmune License Agreement"). The Company agreed to use commercially reasonable efforts to reach certain development and commercialization milestones for such bispecific antibodies within specified timeframes. Unless earlier terminated in accordance with its terms, the MedImmune License Agreement, as amended, remains in effect on a country-by-country basis until the expiration of the last royalty term in such country as to be determined by the launch of products based on the ABP-200 product candidates. The Company is no longer developing ABP-200.

Under the MedImmune License Agreement, the Company agreed to pay milestone and royalty payments, including up to $244,000 in milestone payments, which are comprised of $14,000 upon meeting certain clinical development milestones, $80,000 upon achieving certain regulatory events and $150,000 upon meeting certain worldwide commercial sales thresholds; and tiered high-single to low double-digit percentage royalties based on annualized net sales of each product commercialized from our collaboration on a country-by-country basis. No milestones have been reached and no products were sold by the Company through September 30, 2024.

NCI License Agreement

In August 2017, the Company entered into a patent license agreement with the National Cancer Institute (the "NCI"), a division of the National Institutes of Health (the "NIH"), pursuant to which the Company received an exclusive, worldwide license to make, use, sell, offer to sell and import products covered by the licensed patents in the field of using certain monoclonal antibodies as monospecific or bispecific antibodies for the treatment of liver cancer (the "NCI License Agreement"). The license agreement was amended in May 2020 and October 2023 and the field of use was narrowed to the development and commercialization of a bispecific antibody for the treatment of GPC-3 expressing liver cancer using a particular moiety for targeting GPC3 and the timeline for development and commercialization was extended. Unless earlier terminated, the Company's agreement with NCI will expire upon expiration of all licensed patent rights. The Company may also terminate the agreement as to any licenses in any country or territory upon 60 days written notice.

Pursuant to the NCI agreement and amendments, the Company agreed to pay low single-digit royalties based on net sales of licensed products as well as milestone payments of up to $3,995 due upon achievement of clinical and regulatory milestones, and up to $12,000 milestone payments due upon achievement of commercial milestones. No milestones have been reached and no products were sold by the Company through September 30, 2024.

The Company also has to pay the guaranteed annual minimum royalties of $25 starting on the effective date of the agreement (which annual minimum royalties may be credited against the running royalties on net sales of any licensed products or services). During each of the nine months ended September 30, 2024 and 2023, the Company incurred $19, in minimum royalty payments, included in research and development expenses. Under the amendment entered into in March 2020, the Company is also liable for the extension royalties of $225 payable under this agreement were rescheduled to become due in several installments starting in March 2022. As of September 30, 2024 and December 31, 2023, the accrued extension royalties were $200 and $175, respectively, included in accrued expenses and accounts payable in the condensed consolidated balance sheets.

The Company also agreed to reimburse patent costs for all documented out of pocket associated with the preparation, filing, prosecution and maintenance of patent rights. During both the nine months ended September 30, 2024 and 2023, the Company did not incur any expense related to the patent costs reimbursements.

Mabwell License Agreement

In October 2020, the Company entered into an exclusive collaboration and license agreement with Mabwell (Shanghai) BioScience Co., Ltd. ("Mabwell") (the "Mabwell License Agreement"). The agreement was amended in November 2020. Under the Mabwell license agreement, the Company received a non-exclusive, royalty-free research purpose license as well as an exclusive commercial license within certain territories, as defined in the agreement, to Mabwell's series of anti-SARS-CoV-2 monoclonal antibodies. Under the agreement, the Company is responsible for conducting at its sole expense, research and preclinical, clinical and other developments of any licensed products and bears all development costs and expenses related to obtaining or maintenance of marketing authorizations of licensed products in its territories. Mabwell is obligated, at the Company's request, to supply the Licensed Antibodies to the Company for clinical trial purpose at costs plus margin as defined in the agreement. The parties agreed to undertake certain joint clinical research and development activities with a portion of the costs contributed by Mabwell. Unless earlier terminated, the Mabwell License Agreement will expire on the occurrence of the last to expire royalty term, which is the later of a) the expiration of the last to expire valid claim of the patent rights and b) ten years from the first commercial sale of such Licensed Product, and determined on jurisdiction-by-jurisdiction basis. Either party may terminate the agreement in the event of any uncured material breach by the other party.

The agreement provides for development milestones of up to $32,500 and annual sales milestone payments of up to $50,000 payable by the Company to Mabwell. The agreement also provides for a profit sharing, with Mabwell sharing 50% of the net profits from the licensed product sales in certain territories as defined in the agreement. The Company will also make tiered royalty payments in the mid to high single digits on net sales of commercial products in the licensed territory.

During the nine months ended September 30, 2024 and 2023, development activities under the Mabwell collaboration agreement were immaterial to the condensed consolidated financial statements. No milestones have been reached and no products were sold under the Mabwell License Agreement through September 30, 2024.

MSK License Agreement

In March 2017, the Company entered into an exclusive license agreement with Memorial Sloan Kettering Cancer Center (the "MSK License Agreement"), pursuant to which the Company received an exclusive, royalty-bearing, worldwide license under specified patent rights to make, use and sell certain of MSK's proprietary Her2-huOKT3 bispecific antibodies. The agreement was amended on March 31, 2017, on March 31, 2018, and January 1, 2020. Unless earlier terminated in accordance with its terms, the agreement was to remain in effect on a country-by-country basis until the expiration of the last royalty term in such country as to be determined by the launch of products based on MSK antibodies. On September 19, 2023, MSK License Agreement was terminated by MSK due to the Company's failure to make the payments for the patent costs reimbursements discussed below.

Under the MSK License Agreement, as amended, the Company agreed to use commercially reasonable efforts to reach certain development and commercialization milestones for such bispecific antibodies within specified territories and timeframes. The Company was committed to pay MSK up to $10,500 in milestone payments upon achieving certain research and development and commercialization events or within a certain number of months of the effective date, up to $30,000 in milestone payments based on net sales, and tiered mid-single-digit percentage royalties based on annualized net sales of each product commercialized from the collaboration with guaranteed annual minimum royalties between $20 and $30 depending on certain development events. During the nine months ended September 30, 2024 and 2023, the Company incurred $0 and $15 in minimum royalty, included in research and development expenses. During the nine months ended September 30, 2024 and 2023, the Company did not incur any milestone payments under this agreement. As of both September 30, 2024 and December 31, 2023, the accrued minimum royalty and milestone payments were $790, included in accounts payable in the condensed consolidated financial statements.

The Company also agreed to reimburse patent costs for all documented out of pocket costs associated with the preparation, filing, prosecution and maintenance of patent rights in the license territory. During the nine months ended September 30, 2024 and 2023, the Company expensed $0 and $49 respectively, related to the patent costs reimbursements, included in general and administrative expenses. As of both September 30, 2024 and December 31, 2023, the liabilities for the patent costs reimbursements were $273, included in other accrued expenses and accounts payable.

As of both September 30, 2024 and December 31, 2023, the accrued liabilities for the unpaid interest on the outstanding minimum royalty and milestone payments due to MSK were $169, included in other accrued expenses.

VAZYME License agreement

In April 2021, the Company entered into a License Agreement with VAZYME Biotech Co., Ltd ("VAZYME") (the "VAZYME License Agreement"), pursuant to which the Company was granted an exclusive, perpetual, royalty-bearing, worldwide license under specified patent rights to research, develop and commercialize VAZYME proprietary anti-SARS-CoV-2 monoclonal antibodies. Unless earlier terminated in accordance with its terms, the agreement remains in effect on a country-by-country basis until the expiration of the last royalty term in such country.

Under the VAZYME License Agreement, the Company agreed to use commercially reasonable efforts to reach certain research and development, and commercialization milestones for such antibodies. The Company also agreed to pay $200 to VAZYME at the effective date of the agreement. The Company is committed to pay VAZYME up to $11,100 in milestone payments upon achieving certain research and development events, up to $70,000 in milestone payments based on annual net sales, and tiered low single-digit percentage royalties based on annualized net sales of each product commercialized from the collaboration. No milestones in the VAZYME License Agreement have been reached through September 30, 2024.

In December 2021, the Company entered into a Cooperation Agreement with Chengdu Bio-Innovate Pharmaceutical Technology Co., Ltd ("Bio-Innovate") and a three-way sharing agreement with VAZYME and Bio-Innovate ("the Company", "VAZYME" and "Bio-Innovate", collectively "all parties"), pursuant to which the Company entrusted Bio-Innovate to perform certain preclinical testing and all parties agreed that VAZYME will ship the agreed antibodies to Bio-Innovate rather than the Company to fulfill the requirements under the VAZYME License Agreement.

For the nine months ended September 30, 2024 and 2023, the Company did not incur any expenses related to the VAZYME License Agreement. As of both September 30, 2024 and December 31, 2023, the accrued liabilities under this agreement were $200, included in accounts payable in the condensed consolidated financial statements.

7. Commitments and Contingencies

Litigation

The Company, from time to time, is subject to legal proceedings and claims that arise in the ordinary course of business. Resolution of any such matter could have a material adverse effect on the results of operations and financial condition. The Company considers all claims on a periodic basis and based on known facts assesses whether potential losses are considered reasonably possible, probable and estimable. Based upon this assessment, the Company then evaluates disclosure requirements and whether to accrue for such claims in its condensed consolidated financial statements.

The Company records a provision for a contingent liability when it is both probable that a loss has been incurred and the amount of the loss can be reasonably estimated.

On August 12, 2024, the Company's landlord filed a court summons for eviction based on the Company's failure to make payments pursuant to one of its lease agreement. According to the summons, the landlord is claiming the full amount of rental payments over the term of the lease. As of September 30, 2024, the Company owed $186 to the landlord in late rent. This amount was included in accounts payable in the condensed consolidated financial statements as of September 30, 2024. On October 21, 2024, the Company paid the landlord $100 for late rent and maintenance expenses. A court date was scheduled for November 14, 2024, and has been subsequently postponed to November 21, 2024. On November 20, 2024, the Company paid the landlord $115 and on November 25, 2024, the court summons for eviction was dismissed by the landlord.

On September 12, 2023, a CRO vendor filed a lawsuit against the Company based on the Company's failure to make certain installments pursuant to a settlement agreement entered into with this vendor on January 23, 2023. Under the settlement agreement, the Company agreed to pay a total of $1,644 to the vendor, with $600 due 5 business days after the settlement effective date and ten monthly installments, approximately $104 each, starting in February 2023. The Company made the upfront payment and the first four monthly installments for a total of $1,016 but failed to make the monthly installment payments due after May 2023. On January 24, 2024, the Company received the endorsement on motion for default judgment which requested the Company to pay approximately $700 to the CRO vendor. During the nine months ended September 30, 2024, the Company accrued an additional $60 in interest, included in the interest expense. During the nine month ended September 30, 2024, the Company made an $11 payment to CRO. As of September 30, 2024 and December 31, 2023, the outstanding balance under this settlement agreement was $726 and $751, respectively. These amounts were included in accounts payable and accrued expenses in the condensed consolidated financial statements as of September 30, 2024 and December 31, 2023.

In addition to the lawsuit from a CRO vendor above, the Company accrued $325 and $379 as of September 30, 2024 and December 31, 2023, respectively, related to disputed invoices with vendors.

In June 2023, the Company received a notice of breach from MSK followed by a notice of termination in September 2023, pursuant to which MSK demanded payments totaling $1,230 for the services performed under the MSK License Agreement (see Note 6). The corresponding liability is included in accounts payable and accrued expenses in the consolidated financial statements as of both September 30, 2024 and December 31, 2023.

The MedImmune License Agreement (see Note 6) provides for a research plan with target dates for an IND application (July 2021) and Phase II commencement (December 2022). These target dates were not met, which gives MedImmune (now AstraZeneca) a termination right. The Company continues to provide annual development reports to MedImmune/AstraZeneca, most recently in January 2024. The Company does not expect a material impact on our business if MedImmune/AstraZeneca terminates this agreement. This license was originally entered into in connection with the development of ABP-200, which the Company is no longer developing. The Company believed that it does not need the intellectual property licensed under that agreement for the development and eventual commercialization of ABP-201 or any of its other programs.

8. Notes Payable – Related Parties

Promissory Note with ABI

On October 18, 2023, the Company entered into a promissory note agreement with ABI, a significant investor in the Company's Series E and F convertible preferred stock, to receive up to $6,000. The promissory note accrues interest at a rate of 5% per annum on the principal amount of each installment from the installment funding date until the maturity date and at a rate of 7% per annum after the maturity date if any amounts then remain outstanding. The "Maturity Date" is defined in the agreement as the earlier of (i) eighteen months from the funding date and (ii) the successful closing of the Business Combination. On August 22, 2024, ACAB entered into a subscription agreement (the "Abpro Bio Subscription Agreement") with ABI, pursuant to which ABI agreed to subscribe for and purchase, and ACAB agreed to issue and sell, 622,467 newly-issued shares of Series A common stock, of ACAB substantially concurrently with the closing of the Business Combination at a price of $10.00 per share, for an aggregate purchase price of $6,225, of which $4,225 through the conversion of the balance due by the Company to ABI under the promissory note agreement and the remainder of $2,000 in cash. This note is reported as current liabilities in the condensed consolidated balance sheets based on the expectation that the Business Combination will close before the end of 2024.

As of September 30, 2024 and December 31, 2023, the outstanding balance under this promissory note was $4,225 and $1,442, respectively. During the nine months ended September 30, 2024, the Company recorded $142 of interest expense on this promissory note.

Promissory Notes with Executive and Director

On December 29, 2023, the Company issued promissory notes to one of its executives and one of its directors, in the principal amount of $176 and $124, respectively, for deferred bonuses. Amounts under the promissory notes plus accrued interest are due and payable on the earlier of (i) the closing of the Business Combination and (ii) June 29, 2025. These promissory notes accrue interest at 5% per annum until the maturity date and 7% thereafter. These promissory notes are reported as current liabilities in the condensed consolidated balance sheets based on the expectation that the Business Combination will close before the end of 2024.

On April 18, 2024, the Company entered into a separate promissory note agreement with the same executive to receive, as amended, up to $2,158 in funding. During the nine months ended September 30, 2024, the Company received $1,991 from the executive under this agreement. These advances accrue interest at 7.5% per annum through the maturity date and at 9.5% per annum after the maturity date if any amounts then remain outstanding. All advances, plus accrued interest, are due and payable on the earlier of (i) the closing of the Business Combination and (ii) November 20, 2024. This promissory note agreement includes early repayment provisions which state that if in any calendar month prior to the closing of the Business Combination, the Company receives capital or cash flows from another party, then the executive will be paid 10% of such proceeds prior to any other obligations that the Company may have until the principal and interest have been repaid, however, no amounts were paid to the executive as a result of the promissory notes issued during the three months ended September 30, 2024 or from those disclosed in Note 15.

At the Closing, the outstanding promissory notes of $1,997 were converted into 600,000 New Abpro shares. In addition, at the Closing, the accrued interest on this promissory note totaling approximately $150 was repaid in cash. Pursuant to the terms of the promissory note, the Company agreed to cause to be issued to the executive a number of New Abpro stock options or warrants in an amount equal to the outstanding principal amount of such promissory note, subject to required approval by the New Abpro Board of Directors and Compensation Committee and registration of such securities on Form S-8.

As of September 30, 2024 and December 31, 2023, the total outstanding balance under the promissory notes with executive and director were $2,291 and $300 respectively. For the nine months ended September 30, 2024, the Company incurred approximately $48 in interest under these agreements.

Promissory Note with ACAB Executive

On August 16, 2024, an executive at ACAB agreed to loan the Company $103 under a promissory note (the "ACAB Executive Note"). The ACAB Executive Note does not accrue interest and the Company agreed to repay a total of $206 at the earlier of i) November 20, 2024, and ii) the closing of the Business Combination. This promissory note is reported as a current liability in the condensed consolidated balance sheets based on the expectation that the Business Combination will close before the end of 2024. The Company initially recorded a discount of $103 against the total repayment obligations of $206 for this promissory note, within notes payable in the condensed consolidated balance sheet.

As of September 30, 2024 and December 31, 2023, the total balance under the promissory note with the ACAB executive were $156 and $0 respectively. The Company amortized the $103 discount on the note into interest expense over the term of the note using the effective interest method, which resulted in the recording of $53 of interest expense for the nine months ended September 30, 2024.

On November 21, 2024, the ACAB Executive Note was amended to clarify that it should have been for the benefit of Abpro Holdings, Inc (formerly ACAB). Pursuant to the Severance Agreement (Note 1), the liability to the ACAB executive was cancelled. According to the terms of the amended note, the Company will repay the principal amount of $103. The note does not bear interest and is payable upon demand by Abpro Holdings, Inc. on or before December 31, 2024.

9. Stockholders' Equity

The Company's Amended and Restated Certificate of Incorporation ("Restated Charter") authorizes the issuance of up to 40,000,000 shares in common stock and up to 11,620,248 shares in preferred stock. The Company's Certificate of Incorporation, as amended, authorizes the issuance of Series A Redeemable Convertible Preferred Stock ("Series A"), Series B Convertible Preferred Stock ("Series B"), Series C Convertible Preferred Stock ("Series C"), Series D Convertible Preferred Stock ("Series D"), Series E Convertible Preferred Stock ("Series E") and Series F Convertible Preferred Stock ("Series F"), collectively referred to as "Convertible Preferred Stock".

Significant terms of the Convertible Preferred Stock are as follows:

Dividends

Dividends may be paid on the Preferred Stock when, as and if declared by the Board of Directors (the "Board"). The rights of holders of Preferred Stock to payment of any dividends shall be pro rata with the rights of holders of common stock. There have been no dividends declared by the Board through September 30, 2024.

Conversion

Each share of Preferred Stock is convertible, at the option of the holder, at any time after date of issuance of such share into the number of fully paid and non-assessable shares of common stock, which is determined by dividing the original issue price for such series by the applicable conversion price then in effect. The conversion price of Series A, Series B, Series C, Series D, Series E and Series F is $0.9323, $2.8725, $7.8441, $13.89, $9.08 and $18.00 per share, respectively.

Each share of Preferred Stock is automatically convertible into common stock upon the earlier of a Qualified IPO, defined as having net proceeds to the Company that is not less than $30,000, the consummation of a transaction or series of related transactions by merger, consolidation, share exchange or otherwise of the Company with a publicly-traded special purpose acquisition company with gross proceeds of at least $30,000 from the sale of its equity securities, or by vote of the holders of a majority of the then outstanding shares of one of the classes (Series A, Series B, Series C, Series D, Series E or Series F Preferred Stock), voting each as a single class on an as-converted basis.

Voting

Each holder of Preferred Stock is entitled to the number of votes equal to the number of shares of common stock into which the Preferred Stock could be converted as of the record date. Except as otherwise specified in the Certificate of Incorporation, the holders of Preferred Stock and the holders of common stock vote as a single class on all matters submitted to a vote of stockholders, and not as separate classes. Series A, Series B, Series C, and Series D stockholders are collectively entitled to elect one director. In addition, four directors may be elected by the majority of the common stock held by the founders of the Company.

Redemption Rights

At any time after January 1, 2019, and at the election of the holders of at least a majority of the then outstanding shares of Series A, the Company shall redeem all of Series A elected by the outstanding shares of Series A that have not been previously converted into common stock. The Company is to redeem the shares of Series A by paying in cash an amount per share equal to the original issue price for such Series A of $93.23 per share, plus all declared and unpaid dividends in three equal annual installments.

The Convertible Preferred Stock is redeemable upon a change in control. The occurrence of a change in control shall be deemed a Liquidation Event and the holders of shares of Convertible Preferred Stock then outstanding will be entitled to the same rights outlined in the Liquidation Preference section below. The deemed Liquidation Event was defined as (i) the acquisition of the Company by another entity by means of any transaction or series of related transactions to which the Company is party (including, without limitation, any stock acquisition, reorganization, merger or consolidation but excluding any bona fide sale of stock solely for capital raising purposes) other than a transaction or series of transactions in which the holders of the voting securities of the Company outstanding immediately prior to such transaction continue to retain, immediately after such transaction or series of transactions, as a result of shares in the Company held by such holders prior to such transaction, at least a majority of the total voting power represented by the outstanding voting securities of the Company or such surviving entity; or (ii) a sale, lease, transfer, exchange, exclusive license or other description of all or substantially all of the assets of the Company and its subsidiaries taken as a whole by means of any transaction or series of related transactions. As such, the Convertible Preferred Stock is classified as temporary equity in the condensed consolidated financial statements.

Liquidation Preference

In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, the holders of the Series F, Series E and Series D are entitled to receive, prior and in preference to any distribution to the holders of the common stock or any other series of Preferred Stock, an amount per share for each share of Series F, Series E and Series D held by them equal to the sum of original issue price, and all declared but unpaid dividends (if any).

After the payment or setting aside for payments to the Series F, Series E and Series D, the event of any liquidation, dissolution or winding up of the Company or other liquidation event, either voluntary and involuntary, the holders of the Series C are entitled to receive, prior and in preference to any distribution to the holders of the common stock, Series A, or Series B, an amount per share for each share of Series C held by them equal to the sum of original issue price and all declared but unpaid dividends (if any).

After the payment or setting aside for payment to the holders of Series F, Series E, Series D, and Series C, in the event of any liquidation, dissolution or winding up of the Company or other liquidation event, either voluntary or involuntary, the holders of the Series A and Series B are entitled to receive, prior and in preference to any distribution to the holders of the common stock, an amount per share for each share of Series A or Series B, held by them equal to the sum of original issue price and all declared but unpaid dividends (if any).

After the payment or setting aside for payment to the holders of the Preferred Stock, in the event of any liquidation, dissolution or winding up of the Company or other liquidation event, either voluntary or involuntary, the holders of the common stock are entitled to receive remaining assets of the Company legally available for distribution on a pro rata basis.

10. Share-Based Compensation

2014 Stock Incentive Plan

The Company's 2014 Stock Incentive Plan (the "2014 Plan") provides for the Company to sell or issue restricted common stock, or to grant incentive stock options or nonqualified stock options for the purchase of common stock, to employees, members of the Board and consultants of the Company. The 2014 Plan is administered by the Board, or at the discretion of the Board, by a committee of the Board. Stock options granted to employees and directors typically vest over four years. Stock options granted to non-employees typically vest immediately at the grant date. The maximum contractual term of the stock options is ten years.

Under the 2014 Plan, as amended, a total of 6,534,395 shares of common stock may be issued. The 2014 Plan expired in accordance with its original terms on February 2, 2024 and no additional awards may be granted thereunder after that date.

Stock Options

The summary of the Company's stock option activity is as follows:

	Number of Stock Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life
Outstanding at December 31, 2023	5,414,848	$ 3.34	6.1
Granted	-	-	-
Exercised	-	-	-
Forfeited/Expired	(351,049)	1.34	-
Outstanding at September 30, 2024	5,063,799	$ 3.48	5.4
Exercisable at September 30, 2024	4,179,329	$ 3.49	5.3

Stock Option Valuation

The assumptions that the Company used to determine the fair value of the stock options granted to employees, directors and nonemployees were as follows:

	Nine-Month Period Ended September 30, 2023
Risk-free interest rate	3.53%
Expected term (in years)	6.3
Expected volatility	71%
Expected dividend yield	0%

No stock options were granted during the nine months ended September 30, 2024. The weighted average grant date fair value of awards granted during the nine months ended September 30, 2023 was $4.26 per share.

Restricted Stock Units

The Company grants restricted stock units ("RSUs") to various employees and directors. These RSUs cliff vest on the first anniversary of the grant date. The fair value of the RSUs is determined based upon the fair value of the underlying common stock as of the grant date.

The summary of the Company's restricted stock units activity is as follows:

	Number of Shares	Weighted-Average Grant Date Fair Value	Weighted-Average Remaining Vesting Period
Outstanding at December 31, 2023	45,835	$ 3.33	1.2
Granted	-	-	-
Vested	(26,876)	3.33	-
Forfeited	-	-	-
Outstanding at September 30, 2024	18,959	$ 3.33	0.5

Stock-Based Compensation Expense

The summary of the recorded stock-based compensation expense is follows:

	Nine Months Ended September 30,	
	2024	2023
Research and development	$ 62	$ 91
General and administrative	1,469	1,643
Total stock-based compensation	$ 1,531	$ 1,734

As of September 30, 2024, there was approximately $1,671 of unrecognized compensation cost related to unvested stock option awards that are expected to be recognized over a weighted-average period of 1.3 years. As of September 30, 2024 there was approximately $58 of unrecognized compensation cost related to unvested restricted stock awards that are expected to be recognized over a weighted-average period of 0.5 years.

11. Warrants

Common Stock Warrants

The following presents information about warrants to purchase common stock outstanding as of September 30, 2024:

	Shares	Weighted-Average Exercise Price	Average Remaining Contractual Life
2017 Warrants	61,009	$ 14.91	5.49 years

No warrants were issued or exercised during the nine months ended September 30, 2024 and 2023. These 2017 Warrants expire between March 13, 2030 and October 10, 2030 or upon the consummation of the Business Combination, unless exercised.

12. Employee Benefit Plan

The Company has a 401(k) retirement plan available to all eligible employees. During the nine months ended September 30, 2024 and 2023, the Company made $101 and $80 in matching contributions, respectively, to the plan.

13. Related Parties

On January 15, 2020, the Company entered into an agreement for various consulting services, as defined in the agreement, with a member of the Company's Board of Directors. On January 1, 2023, the Company entered into a new consulting agreement with the same director, which superseded the agreement dated in January 2020. The agreement was terminated during the nine months ended September 30, 2024. During the nine months ended September 30, 2024 and 2023, the Company incurred $83 and $188 under this agreement, respectively. As of both September 30, 2024 and December 31, 2023, the unpaid amount was $21.

On December 1, 2021, the Company entered into a consulting agreement with a member of the Company's Board of Directors. Under the agreement, the Company is obligated to pay fees for various consulting services, as defined in the agreement. This agreement was terminated in May 2022. The Company did not incur any expense under this agreement during the nine months ended September 30, 2024 and 2023. As of both September 30, 2024 and December 31, 2023, the unpaid balance was $8.

In September 2022, the Company entered into a collaboration and license agreement with Celltrion, a significant investor in the Company's Series F, as discussed in Note 5. The Company entered into the ABP-100 Agreement and ABP-201 Agreement with ABI, a significant investor in the Company's Series E and F, described in Note 5.

On March 13, 2023, the Company's CEO, upon the approval of the Company's Board of Directors, transferred $5,000 from the Company's bank account at First Republic Bank to his personal bank account as an emergency response to the collapse of First Republic Bank. This amount was recorded in receivable from related party as of March 31, 2023. The full amount of $5,000 plus accrued interest of $18 was returned to the Company on May 3, 2023, with a remaining balance of accrued interest of $3 as of September 30, 2024.

On October 18, 2023, the Company issued a promissory note to ABI in the principal amount of up to $6,000 for expenses incurred in connection with the Business Combination and for its operating expenses, as discussed in Note 8.

On December 29, 2023, the Company issued promissory notes to one of its executives and one of its directors in the principal amount of $176 and $124, respectively, as discussed in Note 8.

On April 18, 2024, the Company entered into a separate promissory note agreement with the same executive to receive, as amended, up to $2,158 in funding. During the nine months ended September 30, 2024, the Company received $1,991 from the executive under this agreement. See Note 8.

On April 18, 2024, the Company entered into an agreement with an executive to defer payment of compensation from April 18, 2024 until the earlier of (i) the closing of the Business Combination and (ii) November 20, 2024. The executive's deferred wages at September 30, 2024 and December 31, 2023 were $221 and $0, respectively, and were included in accrued expenses in the condensed consolidated balance sheets.

14. Income Taxes

The Company did not record any income tax provision or benefit for the nine months ended September 30, 2024 and 2023. The Company has evaluated the positive and negative evidence bearing upon its ability to realize any deferred tax assets. Management has considered the Company's history of cumulative net losses incurred since inception and its history of gross losses and has concluded that it is not more likely than not that the Company will realize the benefits of any deferred tax assets. Accordingly, a full valuation allowance has been established against the deferred tax assets as of September 30, 2024 and December 31, 2023. Management reevaluates the positive and negative evidence at each reporting period.

15. Subsequent Events

Promissory Note with ABI

On October 7, 2024, the Company entered into an additional promissory note with ABI ("the 2024 ABI Note") to receive up to $1,000 from ABI in weekly installment of $250. The note accrues 10% interest and matures 5 business days after receipt of the proceeds under the PIPE Subscription Agreements (see Note 1). The Company received $1,000 under this note as of the Closing Date, and the balance of $1,000 was repaid in connection with the Closing.

Promissory Note Agreements with Executive

On October 15, 2024, the Company received $6 as part of the April 18, 2024 agreement, as amended, to receive advances from an executive. As of the issuance date of these financial statements, the Company received $1,997 in advances from the executive. See Note 8 for further details. At the Closing, the outstanding promissory notes of $1,997 were converted into 600,000 New Abpro shares. In addition, at the Closing, the accrued interest on this promissory note totaling approximately $150 was repaid in cash.

Advisory Service Agreement

On October 18, 2024, the Company and ACAB entered into a service agreement with a service provider to provide capital market advisory services in relation to the Business Combination. Under the advisory service agreement, the Company committed to pay to the service provider a $500 fee for the services and a premium payment of $125. This commitment is secured by a $525 promissory note dated as of October 18, 2024. The note accrues 15% annual compounded interest and is due at the closing date of the Business Combination. The note was paid in full on the Closing Date.

Promissory Note with ACAB Executive

On November 21, 2024, the ACAB Executive Note was amended (Note 8) and the liability to the ACAB executive was cancelled. According to the terms of the amended note, the Company will repay the principal amount of $103.

Court Summons for Eviction

On August 12, 2024, the Company's landlord filed a court summons for eviction based on the Company's failure to make payments pursuant to one of its lease agreements (Note 7). A court date was scheduled for November 14, 2024, and was subsequently postponed to November 21, 2024. On November 20, 2024, the Company paid the landlord $115 and on November 25, 2024, the court summons for eviction was dismissed by the landlord.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Abpro Corporation:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Abpro Corporation and Subsidiary (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of operations, convertible preferred stock and stockholders' deficit and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of a Matter Regarding Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has incurred net losses since its inception, and has negative cash flows from operations and will need additional funding to complete planned development efforts. This raises substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters also are described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

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

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

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

/s/ Wolf & Company, P.C.

We have served as the Company's auditor since 2023.

Boston, MA
March 1, 2024

ABPRO CORPORATION AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except share and per share data)

	December 31,	
	2023	**2022**
Assets		
Current assets:		
Cash	$ 723	$ 7,325
Accounts receivable	88	2,030
Deferred offering costs	878	—
Prepaid expenses and other current assets	208	292
Total current assets	1,897	9,647
Restricted cash	138	137
Property and equipment, net	102	323
Right-of-use asset - operating lease	966	1,479
Security deposits	66	66
Patents, net	186	196
Note receivable	—	4
Total assets	**$ 3,355**	**$ 11,852**
Liabilities, convertible preferred stock and stockholders' deficit		
Current liabilities:		
Accounts payable	$ 7,916	$ 8,152
Accrued expenses	2,081	1,897
Deferred revenue	—	64
Operating lease liability, current	567	500
Finance lease liability, current	130	255
Notes payable, current – related parties	1,742	—
Total current liabilities	12,436	10,868
Operating lease liability, noncurrent	455	1,022
Finance lease liability, noncurrent	—	97
Total liabilities	**12,891**	**11,987**
Commitments and Contingencies (Note 8)		
Series F Convertible Preferred Stock, $0.001 par value; authorized shares – 4,444,444; issued and outstanding shares – 555,555; liquidation preference of $10,000 at December 31, 2023	9,991	9,991
Series E Convertible Preferred Stock, $0.001 par value; authorized shares – 3,303,966; issued and outstanding shares – 3,303,966; liquidation preference of $30,000 at December 31, 2023	29,841	29,841
Series D Convertible Preferred Stock, $0.001 par value; authorized, issued and outstanding shares – 1,220,261; liquidation preference of $18,194 at December 31, 2023	17,622	17,622
Series C Convertible Preferred Stock, $0.001 par value; authorized, issued and outstanding shares – 2,005,687; liquidation preference of $15,725 at December 31, 2023	14,949	14,949
Series B Convertible Preferred Stock, $0.001 par value; authorized, issued and outstanding shares – 626,636; liquidation preference of $1,798 at December 31, 2023	1,401	1,401
Series A Redeemable, Convertible Preferred Stock, $0.001 par value; authorized, issued and outstanding shares – 19,254 shares; liquidation preference of $1,795 at December 31, 2023	1,795	1,795
Stockholders' deficit:		
Common stock, $0.001 par value; authorized shares – 40,000,000; issued shares – 9,477,934 and 9,440,434, and outstanding shares – 9,375,158 and 9,337,658 at December 31, 2023 and 2022, respectively	9	9
Treasury stock, 102,776 shares at cost	(33)	(33)
Additional paid-in capital	19,911	17,606
Accumulated deficit	(105,571)	(93,865)
Total Abpro Corporation's stockholders' deficit	(85,684)	(76,283)
Non-controlling interest	549	549
Total stockholders' deficit	(85,135)	(75,734)
Total liabilities, convertible preferred stock and stockholders' deficit	**$ 3,355**	**$ 11,852**

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

ABPRO CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except share and per share data)

	For the Years ended December 31,	
	2023	**2022**
Revenue:		
Collaboration revenue	$ 99	$ 1,999
Royalty	23	30
Total revenues	122	2,029
Operating expenses:		
Research and development	4,266	9,754
General and administrative	7,602	8,960
Total operating expenses	11,868	18,714
Loss from operations	(11,746)	(16,685)
Other income (expense):		
Interest income	63	48
Interest expense	(23)	(248)
Total other income (expense), net	40	(200)
Loss before income taxes	(11,706)	(16,885)
Income tax expense (Note 13)	—	(330)
Net loss	$ (11,706)	$ (17,215)
Net loss per share		
Basic and diluted	$ (1.25)	$ (1.85)
Weighted average shares outstanding - basic and diluted	9,356,648	9,311,698

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

ABPRO CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT
For the Years Ended December 31, 2023 and 2022
(Amounts in thousands, except share data)

	Series A Redeemable, Convertible Preferred Stock		Series B Convertible Preferred Stock		Series C Convertible Preferred Stock		Series D Convertible Preferred Stock		Series E Convertible Preferred Stock		Series F Convertible Preferred Stock		Common Stock		Treasury Stock		Additional Paid-In	Accumulated	Total Abpro's Stockholders'	Non-controlling	Total Stockholders'
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Deficit	Deficit	Interest	Deficit
Balances, as of December 31, 2021	19,254	$ 1,795	626,636	$ 1,401	2,005,687	$ 14,949	1,220,261	$ 17,622	3,303,966	$ 29,841	—	$ —	9,381,269	$ 9	(102,776)	$ (33)	$ 13,588	$ (76,650)	$ (63,086)	$ 549	$ (62,537)
Issuance of preferred stock, net of financing costs of $9	—	—	—	—	—	—	—	—	—	—	555,555	$ 9,991	—	—	—	—	—	—	—	—	—
Vesting of restricted stock units	—	—	—	—	—	—	—	—	—	—	—	—	59,165	—	—	—	—	—	—	—	—
Share-based compensation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	4,018	—	4,018	—	4,018
Net loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(17,215)	(17,215)	—	(17,215)
Balances, as of December 31, 2022	19,254	$ 1,795	626,636	$ 1,401	2,005,687	$ 14,949	1,220,261	$ 17,622	3,303,966	$ 29,841	555,555	$ 9,991	9,440,434	$ 9	(102,776)	$ (33)	$ 17,606	$ (93,865)	$ (76,283)	$ 549	$ (75,734)
Vesting of restricted stock units	—	—	—	—	—	—	—	—	—	—	—	—	37,500	—	—	—	—	—	—	—	—
Share-based compensation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2,305	—	2,305	—	2,305
Net loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(11,706)	(11,706)	—	(11,706)
Balances, as of December 31, 2023	19,254	$ 1,795	626,636	$ 1,401	2,005,687	$ 14,949	1,220,261	$ 17,622	3,303,966	$ 29,841	555,555	$ 9,991	9,477,934	$ 9	(102,776)	$ (33)	$ 19,911	$ (105,571)	$ (85,684)	$ 549	$ (85,135)

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

ABPRO CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)

	For the Years ended December 31,	
	2023	**2022**
Cash Flows from Operating Activities:		
Net loss	$ (11,706)	$ (17,215)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	279	372
Share-based compensation	2,305	4,018
Amortization of operating lease right-of-use assets	513	484
Changes in operating assets and liabilities:		
Accounts receivable	1,942	(1,990)
Prepaid expenses and other current assets	84	(35)
Note receivable	4	—
Accounts payable	(743)	6,244
Accrued expenses	484	(454)
Operating lease liability	(500)	(440)
Deferred revenue	(64)	64
Net cash used in operating activities	(7,402)	(8,952)
Cash Flows from Investing Activities:		
Patent costs	—	(65)
Purchase of property and equipment	(48)	—
Net cash used in investing activities	(48)	(65)
Cash Flows from Financing Activities:		
Proceeds from notes payable - related parties	1,442	—
Proceeds from issuance of preferred stock, net of financing costs	—	9,991
Repayment of finance lease liabilities	(222)	(207)
Payment of offering costs	(371)	—
Net cash provided by financing activities	849	9,784
Net change in cash and restricted cash	(6,601)	767
Cash and restricted cash - beginning of year	7,462	6,695
Cash and restricted cash - end of year	$ 861	$ 7,462
Supplemental disclosure of cash flow information and non-cash transactions:		
Interest paid	$ 16	$ 30
Operating right-of-use asset recognized upon adoption of ASC 842	$ —	$ 1,963
Reclassification of capital lease liability to finance lease liability upon adoption of ASC 842	$ —	$ 558
Deferred offering costs included in accounts payable	$ 507	$ —
Settlement of bonus accrual in notes payable - related parties	$ 300	$ —

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

1. Organization and Description of the Business

Nature of Operations

Abpro Corporation (the "Company") founded in 2004, was incorporated under the laws of the State of Delaware. The Company is headquartered in Woburn, Massachusetts.

The Company is a biotechnology company dedicated to developing next-generation antibody therapeutics to improve the lives of patients with severe and life-threatening diseases. The Company is focused on the development of novel antibodies using its proprietary discovery and engineering platforms, primarily in the areas of immuno-oncology, ophthalmology and infectious disease.

Risks and Uncertainties

The Company is subject to risks and uncertainties common to early-stage companies in the biotechnology industry, including, but not limited to, development by competitors of more advanced or effective therapies, dependence on key executives, protection of and dependence on proprietary technology, compliance with government regulations and ability to secure additional capital to fund operations. Programs currently under development will require significant additional research and development efforts, including preclinical and clinical testing and regulatory approval prior to commercialization. These efforts require significant amounts of additional capital, adequate personnel and infrastructure, and extensive compliance-reporting capabilities. Even if the Company's product development efforts are successful, it is uncertain when, if ever, the Company will realize significant revenue from product sales.

Business Combination Agreement

On December 11, 2023, the Company entered into a business combination agreement (the "Business Combination Agreement") with Atlantic Coastal Acquisition Corp. II, a Delaware corporation ("ACAB") and Abpro Merger Sub Corp., a Delaware corporation ("Merger Sub"). Pursuant to the Business Combination Agreement, on the Closing of the Business Combination, the Company will merge with and into Merger Sub, a newly formed, wholly-owned direct subsidiary of ACAB, (the "Business Combination"), with the Company surviving the Business Combination as a wholly-owned direct subsidiary of ACAB (the "Surviving Company"). In connection with the consummation of the Business Combination, ACAB will change its corporate name to "Abpro Holdings, Inc."

Immediately prior to the effective time of the Business Combination, the Company's Preferred Shares that are issued and outstanding will be converted into shares of the Company's common stock. As a result of the Business Combination, among other things, each share of the Company's common stock, par value $0.001 per share, will be converted into the right to receive the number of shares of newly issued ACAB Series A Common Stock (the "ACAB New Common Shares"), par value $0.0001 per share, calculated based on the Exchange Ratio as set forth in the Business Combination Agreement. "Exchange Ratio" is defined in the Business Combination Agreement as the Equity Value Per Share of each respective share of the Company, divided by (b) $10.00, where "Equity Value Per Share" means (a) the Equity Value of $725,000, divided by (b) the Fully Diluted Company Capitalization. Pursuant to the Business Combination Agreement, 22.5 million of the ACAB New Common Shares to be issued to the Company's shareholders will be reduced from 72.5 million shares of the Merger Consideration and equally divided among the Sponsor, the Company and Abpro Bio Co., Ltd. for each such party to use in the PIPE Financing or to obtain capital for ACAB or the Surviving Company. Consummation of the transactions contemplated by the Business Combination Agreement are subject to satisfaction or waiver of customary conditions of the respective parties, including receipt of required regulatory approvals, receipt of approval from shareholders of ACAB and the Company for consummation of the Business Combination and certain other actions related thereto by our shareholders.

The Business Combination Agreement may be terminated under certain circumstances prior to the Closing, including, but not limited to, (i) by mutual written consent of ACAB and the Company, (ii) by the Company if ACAB breaches its representations, warranties or covenants such that the conditions set forth in the Business Combination Agreement would not be satisfied, and such party fails to cure such breach (other than for certain limited exceptions), (iii) by ACAB if the Company breaches its representations, warranties or covenants such that the conditions set forth in the Business Combination Agreement would not be satisfied, and such party fails to cure such breach (other than for certain limited exceptions), (iv) by either ACAB or the Company if the Business Combination is not consummated by June 1, 2024, (v) by either ACAB or the Company if any governmental entity issues an order or taken any other action permanently enjoining, restraining or otherwise prohibiting the Business Combination and such order or other action has become final and non-appealable, (vi) by either ACAB or the Company if certain required approvals are not obtained from the ACAB stockholders after the conclusion of a special meeting of ACAB's stockholders held for such purpose at which such shareholders voted on such approvals and (vii) by ACAB, if the Company does not deliver to ACAB the required Company Stockholder Written Consent prior to the Company Stockholder Written Consent Deadline as defined in the Business Combination Agreement.

If the Business Combination Agreement is validly terminated, none of the parties to the Business Combination Agreement will have any liability or any further obligation under the Business Combination Agreement, other than customary confidentiality obligations, except in the case of Willful Breach or fraud.

Going Concern

The Company is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt abouts its ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued. Through December 31, 2023, the Company has funded its operations mainly through equity and debt financing and to a lesser extent, payments received in connection with collaboration and license agreements.

Since inception, the Company has incurred recurring losses, including a net loss of $11,706 and $17,215 for the years ended December 31, 2023 and 2022, respectively. The Company had an accumulated deficit of $105,571 as of December 31, 2023. The Company expects to incur operating losses for the foreseeable future. On October 18, 2023, the Company entered into a promissory note agreement with Abpro Bio International, Inc. ("ABI"), a significant investor in the Company's Series E and F convertible preferred stock (See Note 9), to receive up to $6,000. The Company received $3,315 through the date of issuance of these consolidated financial statements under this promissory note, including $1,442 during the year ended December 31, 2023 (see Note 9 for terms and conditions).

The future viability of the Company is largely dependent on its ability to raise additional capital to finance its operations. The Company expects to seek additional funding through equity and debt financings, collaboration agreements and research grants. Although the Company has been successful in raising capital in the past, there is no assurance that it will be successful in obtaining such additional financing on terms acceptable to the Company, if at all. If the Company is unable to obtain funding, the Company could be forced to delay, reduce or eliminate its research and development programs, product portfolio expansion or commercialization efforts, which could adversely affect its business prospects.

Accordingly, based on the considerations discussed above, management has concluded there is substantial doubt as to the Company's ability to continue as a going concern within one year after the date the consolidated financial statements are issued. The Company plans to continue to fundraise, as well as seek alternate revenues from collaboration and license agreements. If adequate funds are not available, the Company may require initiating steps to slow cash burn, extending the cash runway until financing can be secured. The consolidated financial statements do not include any adjustments with respect to the carrying amounts of assets and liabilities and their classification that might result from the outcome of this uncertainty.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and the applicable rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). The accompanying consolidated financial statements include all of the accounts of the Company and its subsidiary, AbMed Corporation ("AbMed"). All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and judgments that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ materially from those estimates. Significant estimates in these consolidated financial statements include stock-based compensation expense, fair value of common stock, revenue allocated to various performance obligations under license and collaboration agreements, pre-clinical and clinical accrued expenses, discount rates in relation to lease right-of-use assets and liabilities, valuation and realizability of deferred tax assets and the ability to continue as a going concern. On an ongoing basis, the Company evaluates its estimates, judgments, and methodologies. The Company bases its estimates on historical experience and on various other assumptions believed to be reasonable. Due to the inherent uncertainty involved in making estimates, actual results could differ materially from those estimates.

In March 2022, the Company received an invoice from Mabwell (Shanghai) Bioscience Co., Ltd. ("Mabwell") for approximately $3.5 million in connection with the manufacturing of certain clinical material for the Company. The material was received during a period of time where the Company could not verify what was received as there was no employees at the location at the time due to COVID. Accordingly, the Company recorded the estimated amount in accounts payable, and subsequently engaged in discussion with Mabwell about the invoiced amount and its validity. The Company continues to dispute the amount and its contractual basis as the parties neither finalized nor executed a clinical trial manufacturing agreement.

Cash

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash. The Company maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. As of December 31, 2023 and 2022, the Company has not experienced a loss on its accounts for which it exceeds federally insured deposit limits.

Restricted Cash

The restricted cash balance is related to a balance provided as a collateral associated with the letter of credit for one of the Company's facility leases (Note 7 — Leases) and is reported as a long-term asset in the consolidated balance sheets. The following tables reconcile cash and restricted cash to amounts shown in the consolidated statements of cash flows:

	2023	2022
Cash	$ 723	$ 7,325
Restricted Cash	138	137
Total cash and restricted cash	$ 861	$ 7,462

Accounts receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances under its license and collaboration arrangements. Prior to January 1, 2023, the Company assessed the need for an allowance for potentially uncollectible accounts receivable considering historical write-off experience and any specific risks identified in customer collection matters. Based on the assessment, the Company determined that no amount for allowance for doubtful accounts was required as of December 31, 2022.

Effective January 1, 2023, the Company adopted Accounting Standards Codification ("ASC") Topic 326 Financial Instruments–Credit Losses ("ASC 326"), which requires measurement and recognition of expected credit losses for financial assets. The Company records receivables net of any allowances for doubtful accounts for current expected credit losses under its license and collaboration arrangements. An allowance for doubtful accounts is determined based on the financial condition and creditworthiness of customers as well as the economic factors and trends expected to affect future collections. Any allowance would reduce the accounts receivable to the amount that is expected to be collected. As of December 31, 2023, the Company determined that no amount for allowance for doubtful accounts was required.

Deferred Offering Costs

Deferred offering costs consist of legal, accounting, underwriting fees and other costs that are directly related to the Business Combination. These costs will be accounted for as a reduction of proceeds received upon completion of the closing of the Business Combination. As of December 31, 2023 and 2022, the Company had deferred offering costs of $878 and $0.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Repairs and maintenance charges that do not increase the useful life of the assets are charged to operations as incurred.

Depreciation on property and equipment is calculated using the straight-line method over the estimated useful lives as follows:

Classification	Estimated Useful Life (in years)
Computer hardware and software	3 - 5
Lab equipment	3 - 5
Furniture and fixtures	5 - 7
Leasehold improvements	Shorter of useful life or lease term

Leases

The Company accounts for leases in accordance with ASC Topic 842, *Leases* ("ASC 842"). Under ASC 842, the Company assesses its contracts at inception to determine whether the contract contains a lease, including evaluation of whether the contract conveys the right to control an explicitly or implicitly identified asset for a period of time. As a lessee, the Company records a right-of-use asset and a lease liability in its consolidated balance sheets for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statement of operations.

The Company recognizes operating lease right-of-use ("ROU") assets and operating lease liabilities in the consolidated balance sheets. ROU assets represent the Company's right to use an underlying asset during the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at commencement date based on the net present value of fixed lease payments over the lease term. The Company's lease term includes options to extend or terminate the lease when it is reasonably certain that it will exercise that option. ROU assets also include any advance lease payments made and are net of any lease incentives. As most of the Company's operating leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The incremental borrowing rate is the rate of interest that the Company would expect to pay to borrow over a similar term, and on a collateralized basis, an amount equal to the lease payments in a similar economic environment.

The Company enters into lease agreements for the use of laboratory and office space, and laboratory equipment, under both operating and finance leases. Operating leases are included in Right-of-use asset – operating lease, and Operating lease liability – current and Operating lease liability – noncurrent in the consolidated balance sheets. Finance leases are included in Property and Equipment, net, Finance lease liability – current and Finance lease liability – noncurrent in the consolidated balance sheets.

Patents

The Company incurs costs related to patent license fees and patent applications. These payments are capitalized when the Company believes that there is a high likelihood that the patent will be issued and there will be future economic benefit associated with the patent. These costs are amortized from the date of the patent application on a straight-line basis over the estimated useful life of 20 years, which is the legal life of the patent. All costs associated with abandoned patents applications are expensed.

Impairment of Long-lived Assets

The Company periodically evaluates its long-lived assets for potential impairment. Potential impairment is assessed when there is evidence that events or changes in circumstances indicate that the carrying amount of an asset may not be recovered. Recoverability of these assets is based on undiscounted expected future cash flows from the assets, considering a number of factors, including past operating results, budgets and economic projections, market trends, and product development cycles. An impairment of the carrying value of each asset is assessed when the undiscounted expected future cash flows derived from the asset are less than its carrying value. The impairment loss would be measured as the excess of the carrying value of the impaired asset over its fair value. No impairment charges were recorded for the years ended December 31, 2023 and 2022.

Revenue Recognition

The Company recognizes revenue in accordance with the guidance of *Revenue From Contracts With Customers* , Accounting Standards Codification Topic 606 ("ASC 606"). Under ASC 606, the Company recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration that the entity expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements the Company determines are within the scope of ASC 606, the Company performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the Company satisfies a performance obligation. The Company only applies the five-step model to contracts when it is probable that the Company will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer. At contract inception, once the contract is determined to be within the scope of ASC 606, the Company assesses the goods or services promised within each contract and determines those that are performance obligations, and assesses whether each promised good or service is distinct. The Company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

License and collaboration revenues

The Company's license and collaboration revenues have been generated primarily through collaborative research, development, manufacturing and commercialization agreements. The terms of these agreements generally include the license of intellectual property and associated know-how and the provision of other goods and services. Payments to the Company under these arrangements typically include one or more of the following: non-refundable, up-front license fees; milestone payments; and royalties on future product sales.

License of Intellectual Property. If a license to the Company's intellectual property is determined to be distinct from the other performance obligations identified in the arrangement, the Company recognizes revenue allocated to the license when the license is transferred to the customer and the customer is able to use and benefit from the license. For licenses that are bundled with other promises, the Company utilizes judgment to assess the nature of the combined performance obligation to determine whether the combined performance obligation is satisfied over time or at a point in time and, if over time, the appropriate method of measuring progress for purposes of recognizing revenue associated with the bundled performance obligation.

Milestone Payments. At the inception of each arrangement that includes milestone payments based upon the achievement of specified clinical development, regulatory and/or sales milestones, the Company evaluates whether the milestones are considered probable of being achieved and estimates the amount to be included in the transaction price. If it is probable that a significant revenue reversal would not occur, the associated milestone amount is included in the transaction price. Milestone payments that are dependent on factors outside of the Company's control, such as regulatory approvals, are not considered probable of being achieved until those approvals are received. These payments are fully constrained and therefore are not included in the transaction price. At the end of each reporting period, the Company re-evaluates the probability of achievement of each milestone and any related constraint and, if necessary, adjusts its estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis, which would affect the reported amount of license and collaboration revenues in the period of adjustment.

Royalties. For arrangements that include sales-based royalties, including milestone payments based on the level of sales, and the license is deemed to be the predominant item to which the royalties relate, the Company recognizes revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied).

Research and Development Expenses

The Company's research and development expenses consist primarily of salaries, payroll taxes, employee benefits and stock-based compensation charges for those individuals involved in research and development efforts, as well as consulting expenses, third-party research and development expenses, laboratory supplies and clinical materials. Research and development expenses are charged to expense as incurred. Payments made prior to the receipt of goods or services to be used in research and development are capitalized until the goods or services are received.

Income Taxes

Income taxes are accounted for under the asset and liability method, as required by FASB ASC Topic 740, *Income Taxes* ("ASC 740"). The Company provides for federal, and state income taxes currently payable. Deferred tax assets and liabilities are recognized for the future tax consequences attributed to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases as well as for tax loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The effect of a change in income tax rates is recognized as income or expense in the period that includes the enactment date. The Company files income tax returns in the U.S. federal jurisdiction and various state jurisdictions.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company recognizes interest and/or penalties related to uncertain tax positions in income tax expense. There were no uncertain tax positions as of December 31, 2023 and 2022.

Share-Based Compensation

The Company accounts for share-based payments in accordance with Accounting Standard Codification Topic 718, *Compensation—Stock Compensation* ("ASC 718"). Under ASC 718, the Company measures, and records compensation expense related to share-based payment awards (to employees and non-employees) based on the grant date fair value using the Black-Scholes option-pricing model. The Company recognizes forfeitures related to employee share-based payments when they occur. Forfeited share-based awards are recorded as a reduction to share-based compensation expense.

The determination of the fair value of share-based payment awards utilizing the Black-Scholes model is affected by the stock price and a number of assumptions, including expected volatility, expected term, risk-free interest rate and expected dividends.

In determining the exercise prices of options granted, the Company's Board has considered the fair value of the common stock as of the measurement date. The fair value of the common stock has been determined by the Board at each award grant date based upon a variety of factors, including the results obtained from an independent third-party valuation, the Company's financial position and historical financial performance, the status of technological developments within the Company's proposed products, an evaluation or benchmark of the Company's competition, the current business climate in the marketplace, the illiquid nature of the common stock, arm's length sales of the Company's capital stock, including convertible preferred stock, the effect of the rights and preferences of the preferred stockholders, and then prospects of a liquidity event, among others.

The Company does not have a history of market prices of its common stock, and as such, volatility is estimated using historical volatilities of similar public entities. The peer group was developed based on companies in the biotechnology industry. The Company will continue to apply this process until a sufficient amount of historical information regarding the volatility of its own stock price becomes available. The expected term of the awards is estimated based on the simplified method for grants to employees and is based on the contractual term for non-employee awards. The risk-free interest rate assumption is based on observed interest rates appropriate for the terms of the awards. The dividend yield assumption is based on history and expectation of paying no dividends.

Convertible Preferred Stock

The Company accounts for its convertible preferred stock in accordance with the guidance in ASC Topic 480, "Distinguishing Liabilities from Equity" ("ASC 480"). Preferred stock subject to mandatory redemption (if any) is classified as a liability instrument and is measured at fair value. Conditionally redeemable common stock (including preferred stock that features redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company's control) is classified as temporary equity (see Note 10).

Non-controlling Interest

The Company holds an 82% ownership interest in its consolidated subsidiary, AbMed. Non-controlling interest represents the portion of net book value in AbMed that is not owned by the Company and is reported as a component in stockholders' equity in the consolidated balance sheets. The Company bears all the operating costs of AbMed. Upon an event of default by the Company or upon a liquidation of AbMed, the non-controlling interest holder has the right to put its interest in AbMed to the Company. The amount to be paid under the redemption option is equal to $2.00 per share for each preferred share of AbMed stock held by the non-controlling interest holder plus all accrued and unpaid dividends thereon. The Company has not allocated any losses to the noncontrolling interests given that the preferred shares held by the non-controlling interest holder have no contractual obligations to share in the losses of AbMed. There were no operating activities in AbMed for the years ended December 31, 2023 and 2022.

Net Loss Per Share

The Company follows the two-class method to compute basic and diluted net loss per share attributable to common stockholders when shares meet the definition of participating securities. The two-class method determines net loss per common share for each class of common and participating securities according to dividends declared or accumulated and participation rights in undistributed earnings. The two-class method requires income available to common stockholders for the period to be allocated between common and participating securities based upon their respective rights to share in the earnings as if all income for the period had been distributed. During periods of loss, there is no allocation required under the two-class method due to there being no distributed earnings for the period coupled with the fact that the Company's Series A, Series B, Series C, Series D, Series E and Series F (see Note 10) do not contain a contractual right to absorb losses. Thus, all undistributed losses were allocated entirely to the Company's outstanding common stock.

Basic net loss per share attributable to common stockholders is computed by dividing net loss attributable to common stockholders by the weighted-average number of common stock outstanding during the period without consideration of potentially dilutive common stock. Diluted net loss per share attributable to common stockholders reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the Company unless inclusion of such shares would be anti-dilutive. As the Company has incurred losses for the years ended December 31, 2023 and 2022, basic and diluted net loss per share is the same for each period.

The following table presents the potentially dilutive shares that were excluded from the computation of diluted net loss per share of common stock attributable to common stockholders, because their effect was anti-dilutive:

	December 31,	
	2023	**2022**
Convertible preferred stock	9,725,520	9,725,520
Common stock warrants	61,009	61,009
Options for common stock	5,414,848	5,464,521
Unvested restricted common stock units	45,835	83,335
Total	15,247,212	15,334,385

Segment Reporting

The Company conducts its business activities and reports financial results as one operating segment and one reportable segment, which is consistent with the Company structure and the way the Company operates its business.

Recently Adopted Accounting Pronouncements

In June 2016, the FASB issued Accounting Standards Update No. 2016-13, Financial Instruments-Credit Losses: Measurement of Credit Losses on Financial Instruments. ASU 2016-13 requires measurement and recognition of expected credit losses for financial assets. In April 2019, the FASB issued clarification to ASU 2016-13 within ASU 2019-04, Codification Improvements to Topic 326, Financial Instruments-Credit Losses. ASC 326 is effective for fiscal years beginning after December 15, 2022. The Company adopted this standard on January 1, 2023, which had no material impact on the Company's consolidated financial statements.

Recently Issued Accounting Pronouncements

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

3. Property and Equipment

The Company's property and equipment include the following:

	December 31,	
	2023	**2022**
Furniture and fixtures	$ 53	$ 53
Lab equipment	1,097	1,049
Computer hardware and software	15	15
Leasehold improvements	788	788
Equipment under finance leases	740	740
Property and Equipment	2,693	2,645
Less: Accumulated Depreciation	(2,591)	(2,322)
Total	$ 102	$ 323

Depreciation expense was $269 and $372 for the years ended December 31, 2023 and 2022.

4. Accrued Expenses

Accrued expenses consisted of the following:

	December 31,	
	2023	**2022**
Accrued salaries and wages	$ 1,398	$ 766
Accrued professional fees	93	651
Other accrued expenses	590	480
Total accrued expenses	$ 2,081	$ 1,897

5. License and Collaboration Agreements

NJCTTQ Collaboration Agreement

In January 2019, the Company entered into a collaboration agreement with Nanjing Chia Tai Tianqing Pharmaceutical Co., Ltd. ("NJCTTQ") to research, develop and commercialize two anti-Claudin 18.2 lead antibodies (the "NJCTTQ agreement"). Under the NJCTTQ agreement, the Company granted a non-exclusive, non-sublicensable research license and an exclusive, sublicensable license to NJCTTQ within the People's Republic of China and Thailand (the "NJCTTQ Territory"). The initial term of this agreement was 5 years, which could be automatically renewed for another 5 years. If no collaboration project reached the clinical stage within the first 5 years of the NJCTTQ agreement, then this agreement would not be renewed. The agreement expired in January 2024.

The Company is eligible to receive up to an aggregate of $405,000 of non-refundable milestone payments from NJCTTQ upon achieving certain development, regulatory approval, and commercialization and sales milestones for each unique licensed antibody or product in NJCTTQ Territory. The Company agreed to pay NJCTTQ up to an aggregate of $5,000 in nonrefundable amounts upon achieving of a regulatory milestone in the Company's territory, which includes all other countries other than the NJCTTQ Territory. No milestones have been reached through December 31, 2023, no products were sold by NJCTTQ, and no related revenue amounts have been recorded in the accompanying consolidated financial statements. No regulatory milestones were achieved by the Company in the Company's territory through December 31, 2023.

The Company and NJCTTQ agreed to pay reciprocal royalties, with each of them paying the other party low single-digit royalties, tiered based on net sales per calendar year in its territory. Through December 31, 2023, no products were sold by NJCTTQ or the Company under the NJCTTQ agreement.

ABP-100 Collaboration and License Agreement

In December 2019, the Company entered into an exclusive collaboration and license agreement with a related party, ABI (the "ABP-100 agreement"). Under the ABP-100 agreement, the Company granted ABI the license to develop and commercialize products and services based on the Company's Her2-hu-OKT3 bispecific antibody ("ABP-100") within the territories of People's Republic of China, Japan, South Korea, Southeast Asia, the Middle East and the Commonwealth of Independent States, as defined in the agreement. Unless earlier terminated, the ABP-100 agreement, will expire upon the satisfaction of all obligations under the agreement following the expiration of the last royalty payment obligation. Either party may terminate the agreement in the event of any uncured material breach by the other party. The license granted under the ABP-100 agreement was a sub-license from Memorial Sloan Kettering Cancer Center ("MSK") pursuant to MSK License Agreement (see Note 6). This agreement was terminated due to the termination of the MSK License Agreement in September 2023.

Under the ABP-100 agreement, ABI agreed to use commercially reasonable efforts to reach certain development and commercial milestones for at least one licensed product or licensed service within specified timeframes. ABI is committed to pay the Company running royalties on net sales of any licensed products or services from the mid-single digit percentages to the low double-digit percentage, and the guaranteed annual minimum royalties of $30 starting on the first anniversary of the effective date of the agreement (which annual minimum royalties may be credited against the running royalties on net sales of any licensed products or services). Through the termination of this agreement in September 2023, no products were sold by ABI under the ABP-100 agreement. During the years ended December 31, 2023 and 2022, the Company earned $23 and $30, respectively, in minimum royalty payments, included in royalty revenue. As of December 31, 2023 and 2022, the accounts receivable were $53 and $30, respectively, associated with the minimum royalties under this agreement.

In addition to the royalty payments, the Company may receive up to $498,000 in milestone payments per licensed product or licensed service upon the achievement of specified research and development and sales milestone events. No milestones have been reached through the termination of this agreement in September 2023.

The Company is also entitled to research funding fees for costs incurred by the Company for certain sponsored research activities and the reimbursement of 60% of the costs of certain product development directed activities, as outlined in the agreement. During the years ended December 31, 2023 and 2022, the Company did not earn any research funding fees.

Further, the Company is to be reimbursed for patent costs for all documented out of pocket associated with the preparation, filing, prosecution and maintenance of patent rights in the license territory. During the years ended December 31, 2023 and 2022, the Company received $0 and $15, respectively, in reimbursements of patent costs included in collaboration revenue.

ABP-201 Collaboration and License Agreement

In January 2020, the Company's consolidated subsidiary, Abmed, entered into a collaboration and license agreement with ABI (the "ABP-201 Agreement"), pursuant to which the Company granted to ABI an exclusive, royalty-bearing, license under specified patent rights to make, use and sell certain of its proprietary ANG-2/VEGF-HIRK bispecific antibodies within the licensed territory comprising People's Republic of China, Japan, South Korea, Southeast Asia, the Middle East and the Commonwealth of Independent States. Unless earlier terminated in accordance with its terms, the agreement remains in effect on a country-by-country basis until the expiration of the last royalty term in such country.

Under the ABP-201 agreement, ABI agreed to use commercially reasonable efforts to reach certain development and commercialization milestones for such bispecific antibodies within specified territories and timeframes. ABI is committed to pay the Company up to $56,500 in milestone payments upon achieving certain research and development events, up to $485,000 in milestone payments based on annual net sales per each licensed product, and a double-digit percentage royalty in the low teens, tiered based on cumulative net sales by ABI, its affiliates or sublicensees beginning with the first commercial sale of a licensed product in its territory. No milestones have been reached through December 31, 2023, no products were sold by ABI, and no related revenue amounts have been recorded in the accompanying consolidated financial statements.

The Company is also to be reimbursed for patent costs for all documented out of pocket associated with the preparation, filing, prosecution and maintenance of patent rights in the license territory. During the years ended December 31, 2023 and 2022, the Company earned $32 and $48, respectively, in reimbursements of patent costs included in collaboration revenue. As of December 31, 2023 and 2022, the accounts receivable were $32 and $0, respectively, associated with the patent cost reimbursement under this agreement.

Celltrion Collaboration and License Agreement

In September 2022, the Company entered into an exclusive collaboration and license agreement with Celltrion, Inc. (the "Celltrion Agreement"), a company organized and existing under the laws of South Korea ("Celltrion"). Under this agreement, the Company granted to Celltrion a worldwide exclusive license under specified patent rights to develop, make, have made, import, export, use, have used, sell and have sold certain of its proprietary ABP-102 bispecific antibodies. The License Agreement also provides that the Company is to perform certain preclinical in vitro studies. The License Agreement will remain in effect for so long as ABP-102 is being developed or commercialized anywhere in the world. Celltrion may terminate the license agreement at any time by providing six months prior written notice to the Company.

Celltrion is committed to pay the Company up to $10,000 in milestone payments upon granting the license and achieving certain research and development events, up to $1,750,000 in milestone payments based on annual net sales per each licensed product. The proceeds from commercialization are subject to a 50/50 profit split. Amounts that may be paid by third-party collaborators, for example upfronts, milestones and/or royalty payments from territorial commercialization partners, are also subject to a 50/50 split. Following commercial approval of ABP-102, the Company has agreed to reimburse Celltrion 87.5% of its direct and certain indirect costs and expenses incurred through first commercial sale. Celltrion is entitled to offset amounts otherwise due to us under the agreement until our share of these costs has been paid back; provided that the Company is entitled to a minimum 25% of profit from commercial sales and from third-party collaborators regardless of the amount of unreimbursed development costs outstanding (and then 50% once the reimbursement has been made in full).

The first milestone of $2,000 was achieved upon granting the license at the collaboration effective date, as defined in the Celltrion Agreement, in December 2022 and was received in January 2023. The Company allocated $64 to the initial obligation to perform in vitro testing for the research and development services and the remaining $1,936 to the license of the Company's intellectual property, bundled with the associated know-how, which was recognized in revenue during the year ended December 31, 2022.

The Company's initial obligation to perform in vitro testing for the research and development services represents a distinct performance obligation. The revenue for this performance obligation will be recognized on a straight-line based over the term of the studies. The related deferred revenue was $0 and $64 as of December 31, 2023 and 2022, respectively. During the years ended December 31, 2023 and 2022, the Company recognized $64 and $0, respectively, in connection with this performance obligation, included in collaboration revenue.

The Company is also to be reimbursed for 50% of all documented out of pocket patent costs associated with the preparation, filing, prosecution and maintenance of patent rights in the license territory. During the years ended December 31, 2023 and 2022, the Company earned $3 and $0, respectively, in reimbursements of patent costs included in collaboration revenue. As of December 31, 2023 and 2022, the accounts receivable were $3 and $0, respectively, associated with the patent cost reimbursement under this agreement.

Milestone Payments. The Company is entitled to development milestones under the Celltrion Agreement and certain regulatory milestone payments which are paid upon receipt of regulatory approvals. Except for the first milestone of $2,000 achieved in 2022, no other milestone payments were earned through December 31, 2023. The Company evaluated whether the remaining milestones are considered probable of being reached and determined that their achievement is highly dependent on factors outside of the Company's control. Therefore, these payments have been fully constrained and are not included in the transaction price. At the end of each subsequent reporting period, the Company will re-evaluate the probability of achievement of each milestone and any related constraint, and if necessary, adjust its estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis, which would affect the reported amount of collaboration revenues in the period of adjustment.

Profit Splits. As the license is deemed to be the predominant item to which profit splits relate, the Company will recognize revenue when the related sales or third-party collaborator income occur. No profit split revenue was recognized through December 31, 2023.

6. Commitments under Research and Collaboration Agreements

MedImmune License Agreement

In August 2016, the Company entered into a collaboration and license agreement with MedImmune Limited ("MedImmune"), pursuant to which the Company received from MedImmune an exclusive, worldwide, royalty-bearing, sublicensable (subject to certain conditions) license to certain intellectual property rights relating to the Company's ABP-200 product candidates (the "MedImmune License Agreement"). The Company agreed to use commercially reasonable efforts to reach certain development and commercialization milestones for such bispecific antibodies within specified timeframes. Unless earlier terminated in accordance with its terms, the MedImmune License Agreement, as amended, remains in effect on a country-by-country basis until the expiration of the last royalty term in such country as to be determined by the launch of products based on the ABP-200 product candidates. The Company is no longer developing ABP-200.

Under the MedImmune License Agreement, the Company agreed to pay milestone and royalty payments, including up to $244,000 in milestone payments, which are comprised of $14,000 upon meeting certain clinical development milestones, $80,000 upon achieving certain regulatory events and $150,000 upon meeting certain worldwide commercial sales thresholds; and tiered high-single to low double-digit percentage royalties based on annualized net sales of each product commercialized from our collaboration on a country-by-country basis. No milestones have been reached and no products were sold by the Company through December 31, 2023.

NCI License Agreement

In August 2017, the Company entered into a patent license agreement with the National Cancer Institute (the "NCI"), a division of the National Institutes of Health (the "NIH"), pursuant to which the Company received an exclusive, worldwide license to make, use, sell, offer to sell and import products covered by the licensed patents in the field of using certain monoclonal antibodies as monospecific or bispecific antibodies for the treatment of liver cancer (the "NCI License Agreement"). The license agreement was amended in May 2020 and October 2023 and the field of use was narrowed to the development and commercialization of a bispecific antibody for the treatment of GPC-3 expressing liver cancer using a particular moiety for targeting GPC3 and the timeline for development and commercialization was extended. Unless earlier terminated, the Company's agreement with NCI will expire upon expiration of all licensed patent rights. The Company may also terminate the agreement as to any licenses in any country or territory upon 60 days written notice.

Pursuant to the NCI agreement and amendments, the Company agreed to pay low single-digit royalties based on net sales of licensed products as well as milestone payments of up to $3,995 due upon achievement of clinical and regulatory milestones, and up to $12,000 milestone payments due upon achievement of commercial milestones. No milestones have been reached and no products were sold by the Company through December 31, 2023.

The Company also has to pay the guaranteed annual minimum royalties of $25 starting on the effective date of the agreement (which annual minimum royalties may be credited against the running royalties on net sales of any licensed products or services). During each of the years ended December 31, 2023 and 2022, the Company incurred $25, in minimum royalty payments, included in research and development expenses. Under the amendment entered into in March 2020, the Company is also liable for the extension royalties of $225 payable under this agreement were rescheduled to become due in several installments starting in March 2022. As of both December 31, 2023 and 2022, the accrued extension royalties were $200, included in accrued expenses and accounts payable in the consolidated balance sheets. Additionally, in connection with the October 2023 amendment to the license agreement, the Company paid a $25 amendment fee to NCI, included in "General and administrative" expenses.

The Company also agreed to reimburse patent costs for all documented out of pocket associated with the preparation, filing, prosecution and maintenance of patent rights. During the years ended December 31, 2023 and 2022, the Company expensed $2 and $0, respectively, related to the patent costs reimbursements, included in "General and administrative" expenses.

Mabwell License Agreement

In October 2020, the Company entered into an exclusive collaboration and license agreement with Mabwell (Shanghai) BioScience Co., Ltd. ("Mabwell") (the "Mabwell License Agreement"). The agreement was amended in November 2020. Under the Mabwell license agreement, the Company received a non-exclusive, royalty-free research purpose license as well as an exclusive commercial license within certain territories, as defined in the agreement, to Mabwell's series of anti-SARS-CoV-2 monoclonal antibodies. Under the agreement, the Company is responsible for conducting at its sole expense, research and preclinical, clinical and other developments of any licensed products and bears all development costs and expenses related to obtaining or maintenance of marketing authorizations of licensed products in its territories. Mabwell is obligated, at the Company's request, to supply the Licensed Antibodies to the Company for clinical trial purpose at costs plus margin as defined in the agreement. The parties agreed to undertake certain joint clinical research and development activities with a portion of the costs contributed by Mabwell. Unless earlier terminated, the Mabwell License Agreement will expire on the occurrence of the last to expire royalty term, which is the later of a) the expiration of the last to expire valid claim of the patent rights and b) ten years from the first commercial sale of such Licensed Product, and determined on jurisdiction-by-jurisdiction basis. Either party may terminate the agreement in the event of any uncured material breach by the other party.

The agreement provides for development milestones of up to $32,500 and annual sales milestone payments of up to $50,000 payable by the Company to Mabwell. The agreement also provides for a profit sharing, with Mabwell sharing 50% of the net profits from the licensed product sales in certain territories as defined in the agreement. The Company will also make tiered royalty payments in the mid to high single-digits on net sales of commercial products in the licensed territory.

During 2023 and 2022, development activities under the Mabwell collaboration agreement were immaterial to the consolidated financial statements. No milestones in the Mabwell License Agreement have been reached through December 31, 2023.

MSK License Agreement

In March 2017, the Company entered into an exclusive license agreement with Memorial Sloan Kettering Cancer Center (the "MSK License Agreement"), pursuant to which the Company received an exclusive, royalty-bearing, worldwide license under specified patent rights to make, use and sell certain of MSK's proprietary Her2-huOKT3 bispecific antibodies. The agreement was amended on March 31, 2017, on March 31, 2018, and January 1, 2020. Unless earlier terminated in accordance with its terms, the agreement remains in effect on a country-by-country basis until the expiration of the last royalty term in such country as to be determined by the launch of products based on MSK antibodies.

Under the MSK License Agreement license agreement, as amended, the Company agreed to use commercially reasonable efforts to reach certain development and commercialization milestones for such bispecific antibodies within specified territories and timeframes. The Company is committed to pay MSK up to $10,500 in milestone payments upon achieving certain research and development and commercialization events or within a certain number of months of the effective date, up to $30,000 in milestone payments based on net sales, and tiered mid-single-digit percentage royalties based on annualized net sales of each product commercialized from the collaboration with guaranteed annual minimum royalties between $20 and $30 depending on certain development events. During each of the years ended December 31, 2023 and 2022, the Company incurred $20 in minimum royalty, included in research and development expenses. During the years ended December 31, 2023 and 2022, the Company incurred $0 and $750, respectively, in milestone payments, included in research and development expenses. As of December 31, 2023 and 2022, the accrued minimum royalty and milestone payments were $790 and $770, respectively, included in accounts payable in the consolidated financial statements.

The Company also agreed to reimburse patent costs for all documented out of pocket associated with the preparation, filing, prosecution and maintenance of patent rights in the license territory. During the years ended December 31, 2023 and 2022, the Company expensed $49 and $244, respectively, related to the patent costs reimbursements, included in "General and administrative" expenses. As of December 31, 2023 and 2022, the accrued liabilities for the patent costs reimbursements were $273 and $244, respectively.

On September 19, 2023, MSK License Agreement was terminated by MSK due to the Company's failure to make the payments. During the years ended December 31, 2023 and 2022, the Company incurred $4 and $165 in interest expenses for the unpaid amounts due to MSK. As of December 31, 2023 and 2022, the accrued liabilities for the unpaid interest were $169 and $165, respectively, included in accrued expenses.

VAZYME License agreement

In April 2021, the Company entered into a License Agreement with VAZYME Biotech Co., Ltd ("VAZYME") (the VAZYME License Agreement"), pursuant to which the Company was granted an exclusive, perpetual, royalty-bearing, worldwide license under specified patent rights to research, develop and commercialize VAZYME proprietary anti-SARS-CoV-2 monoclonal antibodies. Unless earlier terminated in accordance with its terms, the agreement remains in effect on a country-by-country basis until the expiration of the last royalty term in such country.

Under the VAZYME License Agreement, the Company agreed to use commercially reasonable efforts to reach certain research and development, and commercialization milestones for such antibodies. The Company also agreed to pay $200 payment to VAZYME at the effective date of the agreement. The Company is committed to pay VAZYME up to $11,100 in milestone payments upon achieving certain research and development events, up to $70,000 in milestone payments based on annual net sales, and tiered low single-digit percentage royalties based on annualized net sales of each product commercialized from the collaboration. No milestones in the VAZYME License Agreement have been reached through December 31, 2023.

In December 2021, the Company entered into a Cooperation Agreement with Chengdu Bio-Innovate Pharmaceutical Technology Co., Ltd ("Bio-Innovate") and a three-way sharing agreement with VAZYME and Bio-Innovate ("the Company", "VAZYME" and "Bio-Innovate", collectively "all parties"), pursuant to which the Company entrust Bio-Innovate to perform certain preclinical testing and all parties agreed that VAZYME will ship the agreed antibodies to Bio-Innovate rather than the Company to fulfill the requirements under the VAZYME License Agreement. During the year ended December 31, 2022, the Company recorded $200 in "Research and development' expenses after VAZYME fulfilled the shipment. These amounts were included in "Accounts payable" in the consolidated financial statements as of both December 31, 2023 and 2022.

7. Leases

The Company's leases are for office and laboratory spaces, classified as operating leases, and laboratory equipment, classified as finance leases.

On November 19, 2021, in connection with its laboratory and office space in Woburn, MA, the Company provided to the landlord a standby letter of credit in the amount of $131 (the "LOC"), which serves as security for the Company's performance of its obligations under the lease. The letter of credit is automatically extended without a written amendment for a period of one year, for each and every future expiration date, unless the Company elects not to extend this letter of credit through November 30, 2025. The letter of credit allows for borrowings in the aggregate of up to $131 and bears interest at a per annum rate of the U.S. prime rate plus 1%, with the minimum interest rate no less than 4.25%.

The components of lease expense were as follows as of and for the years ended December 31, 2023 and 2022:

	Years ended December 31,	
	2023	**2022**
Operating lease costs	$ 594	$ 594
Finance lease costs		
Amortization of ROU assets	240	247
Interest on lease liabilities	16	30
Total lease costs	$ 850	$ 871

The total cash paid for amounts included in the measurement of lease liabilities for the years ended December 31, 2023 and 2022 included the following:

	Years ended December 31,	
	2023	**2022**
Operating cash flows from operating leases	$ 500	$ 440
Financing cash flows from finance leases	$ 222	$ 207

Lease term and discount rate were as follows:

	December 31, 2023	December 31, 2022
Weighted-average remaining lease term *(in years)*		
Operating leases	1.73 years	2.72 years
Finance leases	0.25 years	1.17 years
Weighted-average discount rate		
Operating leases	6.66%	6.66%
Finance leases	6.50%	6.50%

The Company had the following future minimum payments due under its operating and finance lease agreements as of December 31, 2023:

For the year ended December 31,	Finance Leases	Operating Leases	Total
2024	$ 131	$ 613	$ 744
2025	—	465	465
Total future minimum lease payments	131	1,078	1,209
Less: amount representing interest	(1)	(56)	(57)
Present value of future minimum lease payments	130	1,022	1,152
Less: current maturities	(130)	(567)	(697)
Obligations under lease liability, noncurrent	$ —	$ 455	$ 455

8. Commitments and Contingencies

Litigation

The Company, from time to time, is subject to legal proceedings and claims that arise in the ordinary course of business. Resolution of any such matter could have a material adverse effect on the results of operations and financial condition. The Company considers all claims on a periodic basis and based on known facts assesses whether potential losses are considered reasonably possible, probable and estimable. Based upon this assessment, the Company then evaluates disclosure requirements and whether to accrue for such claims in its consolidated financial statements.

The Company records a provision for a contingent liability when it is both probable that a loss has been incurred and the amount of the loss can be reasonably estimated.

On September 12, 2023, a CRO vendor filed a lawsuit against the Company based on the Company's failure to make certain installments pursuant to a settlement agreement entered into with this vendor on January 23, 2023. Under the settlement agreement, the Company agreed to pay a total of $1,644 to the vendor, with $600 due 5 business days after the settlement effective date and ten monthly installments, approximately $104 of each, starting in February 2023. This settlement amount was included in the accounts payable in the consolidated financial statements as of December 31, 2022. The Company made the upfront payment and the first four monthly installments for a total of $1,016 but failed to make the monthly installment payments due after May 2023. On January 24, 2024, the Company received the endorsement on motion for default judgment which requested the Company to pay approximately $700 to the CRO vendor. This amount was included in the accounts payable in the consolidated financial statements as of December 31, 2023.

In addition to the lawsuit from CRO vendor above, the Company accrued $379 and $348 as of December 31, 2023 and 2022, respectively, for disputed invoices with vendors.

In June 2023, the Company received a notice of breach from MSK followed by a notice of termination in September 2023, pursuant to which MSK demanded payments totaling $1,230 for the services performed under the MSK License Agreement (see Note 6) and is included in accounts payable and accrued expenses in the consolidated financial statements as of December 31, 2023.

The MedImmune License Agreement (see Note 6) provides for a research plan with target dates for an IND application (July 2021) and Phase II commencement (December 2022). These target dates were not met, which gives MedImmune (now AstraZeneca) a termination right. The Company continues to provide annual development reports to MedImmune/AstraZeneca, most recently in January 2024. The Company does not expect a material impact on our business if MedImmune/AstraZeneca terminates this agreement. This license was originally entered into in connection with the development of ABP-200, which the Company is no longer developing. The Company believes that it is not using and does not expect to use the intellectual property rights licensed thereunder in connection with the development and eventual commercialization of ABP-201 if such development efforts are successful.

9. Notes Payable – Related Parties

Promissory Note with ABI

On October 18, 2023, the Company entered into a promissory note agreement with ABI, a significant investor in the Company's Series E and F convertible preferred stock, to receive up to $6,000. The promissory note accrues interest at a rate of 5% per annum on the principal amount of each installment from the installment funding date until the maturity date and at a rate of 7% per annum after the maturity date if any amounts then remain outstanding. The "Maturity Date" is defined as the earlier of (i) eighteen months from the funding date and (ii) the successful closing of the Business Combination. This note is reported as current liabilities in the consolidated balance sheets based on the expectations that the Business Combination is expected to close in 2024.

As of December 31, 2023, the outstanding balance under this promissory note was $1,442. For the year ended December 31, 2023, the interest expense accrued on this promissory note was $5.

Promissory Note with Executive and Director

On December 29, 2023, the Company issued promissory notes to one of its executives and one of its directors, in the principal amount of $176 and $124, respectively, for deferred bonus. Amounts under the promissory notes plus accrued interest are due and payable on the earlier of (i) the closing of the Business Combination and (ii) June 29, 2025. These promissory notes accrue interest at 5% per annum until the maturity date and 7% thereafter. These promissory notes are reported as current liabilities in the consolidated balance sheets based on the expectations that the Business Combination is expected to close in 2024.

As of December 31, 2023, the total outstanding balance under the promissory notes with executive and director was $300.

10. Stockholders' Equity

The Company's Amended and Restated Certificate of Incorporation ("Restated Charter") authorizes the issuance of up to 40,000,000 shares in common stock and up to 11,620,248 shares in preferred stock. The Company's Certificate of Incorporation, as amended, authorizes the issuance of Series A Redeemable Convertible Preferred Stock ("Series A"), Series B Convertible Preferred Stock ("Series B"), Series C Convertible Preferred Stock ("Series C"), Series D Convertible Preferred Stock ("Series D"), Series E Convertible Preferred Stock ("Series E") and Series F Convertible Preferred Stock ("Series F") collectively referred to as "Convertible Preferred Stock".

Series F Convertible Preferred Stock Issuance

In March, September and October 2022, the Company issued 111,111, 111,111 and 333,333 shares of Series F, respectively, at $18.00 per share, for the total proceeds of $9,991, net of financing costs of $9.

Significant terms of the Convertible Preferred Stock are as follows:

Dividends

Dividends may be paid on the Preferred Stock when, as and if declared by the Board of Directors (the "Board"). The rights of holders of Preferred Stock to payment of any dividends shall be pro rata with the rights of holders of common stock. There have been no dividends declared by the Board through December 31, 2023.

Conversion

Each share of Preferred Stock is convertible, at the option of the holder, at any time after date of issuance of such share into the number of fully paid and non-assessable shares of common stock, which is determined by dividing the original issue price for such series by the applicable conversion price then in effect. The conversion price of Series A, Series B, Series C, Series D, Series E and Series F is $0.9323, $2.8725, $7.8441, $13.89, $9.08 and $18.00 per share, respectively.

Each share of Preferred Stock is automatically convertible into common stock upon the earlier of a Qualified IPO defined as the net proceeds to the Company are not less than $30,000, the consummation of a transaction or series of related transactions by merger, consolidation, share exchange or otherwise of the Company with a publicly-traded special purpose acquisition company with gross proceeds of at least $30,000 from the sale of its equity securities, or by vote of the holders of a majority of the then outstanding shares of one of the classes (Series A, Series B, Series C, Series D, Series E or Series F Preferred Stock), voting each as a single class on an as-converted basis.

Voting

Each holder of Preferred Stock is entitled to the number of votes equal to the number of shares of common stock into which the Preferred Stock could be converted as of the record date. Except as otherwise specified in the Certificate of Incorporation, the holders of Preferred Stock and the holders of common stock vote as a single class on all matters submitted to a vote of stockholders, and not as separate classes. Series A, Series B, Series C, and Series D stockholders are collectively entitled to one elect one director. In addition, four directors may be elected by the majority of the common stock held by the founders of the Company.

Redemption Rights

At any time after January 1, 2019, and at the election of the holders of at least a majority of the then outstanding shares of Series A, the Company shall redeem all of Series A elected by the outstanding shares of Series A that have not been previously converted into common stock. The Company is to redeem the shares of Series A by paying in cash an amount per share equal to the original issue price for such Series A of $93.23 per share, plus all declared and unpaid dividends in three equal annual installments.

The Convertible Preferred Stock is redeemable upon a change in control. The occurrence of a change in control shall be deemed a Liquidation Event and the holders of shares of Convertible Preferred Stock then outstanding will be entitled to the same rights outlined in the Liquidation Preference section below. The deemed Liquidation Event was defined as (i) the acquisition of the Company by another entity by means of any transaction or series of related transactions to which the Company is party (including, without limitation, any stock acquisition, reorganization, merger or consolidation but excluding any bona fide sale of stock solely for capital raising purposes) other than a transaction or series of transactions in which the holders of the voting securities of the Company outstanding immediately prior to such transaction continue to retain, immediately after such transaction or series of transactions, as a result of shares in the Company held by such holders prior to such transaction, at least a majority of the total voting power represented by the outstanding voting securities of the Company or such surviving entity; or (ii) a sale, lease, transfer, exchange, exclusive license or other description of all or substantially all of the assets of the Company and its subsidiaries taken as a whole by means of any transaction or series of related transactions. As such, the Convertible Preferred Stock is classified as temporary equity in the consolidated financial statements.

Liquidation Preference

In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, the holders of the Series F, Series E and Series D are entitled to receive, prior and in preference to any distribution to the holders of the common stock or any other series of Preferred Stock, an amount per share for each share of Series F, Series E and Series D held by them equal to the sum of original issue price, and all declared but unpaid dividends (if any). After the payment or setting aside for payments to the Series F, Series E and Series D, the event of any liquidation, dissolution or winding up of the Company or other liquidation event, either voluntary and involuntary, the holders of the Series C are entitled to receive, prior and in preference to any distribution to the holders of the common stock, Series A, or Series B, an amount per share for each share of Series C held by them equal to the sum of original issue price and all declared but unpaid dividends (if any).

After the payment or setting aside for payment to the holders of Series F, Series E and Series D, and Series C, in the event of any liquidation, dissolution or winding up of the Company or other liquidation event, either voluntary or involuntary, the holders of the Series A and Series B are entitled to receive, prior and in preference to any distribution to the holders of the common stock, an amount per share for each share of Series A or Series B, held by them equal to the sum of original issue price and all declared but unpaid dividends (if any).

After the payment or setting aside for payment to the holders of the Preferred Stock, in the event of any liquidation, dissolution or winding up of the Company or other liquidation event, either voluntary and involuntary, the holders of the common stock are entitled to receive remaining assets of the Company legally available for distribution on a pro rata basis.

11. Share-Based Compensation

2014 Stock Incentive Plan

The Company's 2014 Stock Incentive Plan (the "2014 Plan") provides for the Company to sell or issue restricted common stock, or to grant incentive stock options or nonqualified stock options for the purchase of common stock, to employees, members of the Board and consultants of the Company. The 2014 Plan is administered by the Board, or at the discretion of the Board, by a committee of the Board. Stock options granted to employees and directors typically vest over four years. Stock options granted to non-employees typically vest immediately at the grant date. The maximum contractual term of the stock options is ten years. In March 2022, the 2014 Plan was amended to reserve an additional 1,000,000 shares of common stock. As amended, a total of 6,534,395 shares of common stock may be issued under the 2014 Plan. As of December 31, 2023, there were 695,921 shares available for future grants.

Stock Options

The summary of the Company's stock option activity is as follows:

	Number of Stock Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life	Aggregate Intrinsic Value
Outstanding at December 31, 2022	5,464,521	$ 3.35	7.1	$ 16,854
Granted	2,000	6.41	—	
Exercised	—	—	—	
Forfeited/Expired/Cancelled	(51,673)	$ 4.41	—	
Outstanding at December 31, 2023	5,414,848	$ 3.34	6.1	$ 34,474
Exercisable at December 31, 2023	4,027,325	$ 3.31	5.9	$ 25,771

The intrinsic value as of December 31, 2023 is based on the fair value of the Company's common stock of $9.71 per share.

Stock Option Valuation

The assumptions that the Company used to determine the fair value of the stock options granted to employees, directors and nonemployees were as follows:

	Years ended December 31,	
	2023	2022
Risk-free interest rate	3.53%	1.82% - 3.46%
Expected term (in years)	6.3	6.3
Expected volatility	71%	71%
Expected dividend yield	0%	0%

The weighted average grant date fair value of these awards was $4.26 per share and $4.82 per share for the years ended December 31, 2023 and 2022, respectively.

Restricted Stock Units

The Company grants restricted stock units ("RSUs") to various employees and directors. These RSUs cliff vest on the first anniversary of the grant date. The fair value of the RSUs is determined based upon the fair value of the underlying common stock as of the grant date.

The summary of the Company's restricted stock units activity is as follows:

	Number of Shares	Weighted-Average Grant Date Fair Value	Weighted-Average Remaining Vesting Period
Outstanding at December 31, 2022	83,335	$ 3.34	2.2
Granted	—	—	—
Vested	(37,500)	3.34	—
Forfeited	—	—	—
Outstanding at December 31, 2023	45,835	$ 3.33	1.2

Stock-Based Compensation Expense

The summary of the recorded stock-based compensation expense is follows:

	Years ended December 31,	
	2023	2022
Research and development	$ 118	$ 214
General and administrative	2,187	3,804
Total stock-based compensation	$ 2,305	$ 4,018

As of December 31, 2023, there was approximately $3,246 of unrecognized compensation expense related to unvested stock option awards that are expected to be recognized over a weighted-average period of 1.8 years. As of December 31, 2023, there was approximately $147 of unrecognized compensation cost related to unvested restricted stock awards that are expected to be recognized over a weighted-average period of 1.2 years.

12. Warrants

Common Stock Warrants

The following presents information about warrants to purchase common stock outstanding as of December 31, 2023:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life
2017 Warrants	61,009	$ 14.91	6.24 years

No warrants were issued or exercised during the years ended December 31, 2023 and 2022. These 2017 Warrants expire between March 13, 2030 and October 10, 2030 or upon the consummation of the Business Combination, unless exercised.

13. Income Taxes

The components of income / (loss) before provision for / (benefit from) income taxes are:

	Years ended December 31,	
	2023	2022
Domestic	$ (11,770)	$ (18,821)
Foreign	64	1,936
Loss before Income taxes	$ (11,706)	$ (16,885)

For the year ended December 31, 2023, the Company did not record a current income tax provision as no foreign withholding taxes were incurred in the period. For the year ended December 31, 2022, the Company recorded a current income tax provision of $330 related to foreign withholding taxes applied against the $2,000 milestone payment received from Celltrion.

The components of the provision for income taxes are:

	Years ended December 31,	
	2023	2022
Current	$ —	$ —
Federal	—	—
State	—	—
Foreign	—	330
Total current provision for income taxes	—	330
Deferred	—	—
Federal	—	—
State	—	—
Foreign	—	—
Total deferred provision for income taxes	—	—
Total provision for income taxes	$ —	$ 330

A reconciliation of the Company's effective income tax rate to the U.S. statutory federal income tax rate of 21% for the years ended December 31, 2023 and 2022 is as follows:

	Years ended December 31,	
	2023	2022
Net loss before tax	$ (11,706)	$ (16,885)
Statutory U.S. federal tax rate	21%	21%
Tax computed at federal statutory rate	(2,458)	(3,546)
State income taxes, net of federal benefit and tax credits	(825)	(1,117)
Federal research and development credit	(297)	(337)
Permanent differences	40	10
Change in valuation allowance	3,540	4,990
Foreign withholding tax	—	330
Income tax expense	$ —	$ 330

Significant components of the Company's net deferred tax assets and liabilities as of December 31, 2023 and 2022 are as follows:

	Years ended December 31,	
	2023	2022
Deferred tax assets:		
Operating loss carryforwards	$ 20,233	$ 17,930
Tax credits	2,054	1,648
Stock-based compensation	2,154	1,680
Capitalized research expenses	3,183	2,482
Depreciation and amortization	539	1,025
Lease liability	279	416
Accrued expenses	333	195
Deferred tax assets	28,775	25,376
Less: Valuation allowance	(28,512)	(24,972)
Total deferred tax assets	$ 263	$ 404
Deferred tax liabilities:		
Right-of-use asset	$ (263)	$ (404)
Net deferred income taxes	$ —	$ —

The Company regularly assesses the need for a valuation allowance against its deferred tax assets. In making that assessment, the Company considers both positive and negative evidence related to the likelihood of realization of the deferred tax assets to determine, based on the weight of available evidence, whether it is more-likely-than-not that some or all of the deferred tax assets will not be realized. In assessing the realizability of deferred tax assets, the Company considers taxable income in prior carryback years, as permitted under the tax law, forecasted taxable earnings, tax planning strategies, and the expected timing of the reversal of temporary differences. This determination requires significant judgment, including assumptions about future taxable income that are based on historical and projected information and is performed on a jurisdiction-by-jurisdiction basis.

The Company continues to maintain a valuation allowance against its deferred tax assets. During the years ended December 31, 2023 and 2022, management assessed the positive and negative evidence in its operations, and concluded that it is more likely than not that its deferred tax assets as of December 31, 2023 and 2022 will not be realized given the Company's history of operating losses. The valuation allowance against deferred tax assets increased by approximately $3,540 and $4,965 during 2023 and 2022, respectively.

On December 22, 2017, the Tax Cuts and Jobs Act (the "Act") was enacted. Under the Act, research and development expenditures incurred for tax years beginning after December 31, 2021 must be capitalized and amortized ratably over five or fifteen years for tax purposes, depending on if the research activities are conducted in the U.S. or outside the U.S., respectively. Effective January 1, 2022, the Company has complied with the mandatory capitalization and amortization of research and experimentation expenditures. For the year ended December 31, 2023, the Company capitalized $4,416 and received $1,850 of amortization deductions related to such Section 174 expenditures, which on a tax effected basis represent $3,183 of the deferred tax assets shown in capitalized research expenses in the components of deferred tax assets and liabilities table above. For the year ended December 31, 2022, the Company capitalized $9,790 and received $704 of amortization deductions related to such Section 174 expenditures, which on a tax effected basis represent $2,482 of the deferred tax assets shown in capitalized research and development costs in the components of deferred tax assets and liabilities table above.

As of December 31, 2023, the Company had federal net operating losses of $74,871, which may be available to offset future federal income tax liabilities. As a result of the Act, for U.S. federal income tax purposes, net operating losses generated after December 31, 2017 can be carried forward indefinitely, but are limited to 80% utilization against future taxable income each year. The Company's federal net operating losses incurred prior to 2018, $22,999, expire through 2037, while its federal net operating losses incurred in 2018 and onwards, $51,872, can be carried forward indefinitely.

As of December 31, 2022, the Company had federal net operating losses of $66,409, which may be available to offset future federal income tax liabilities.

As of December 31, 2023 and 2022, the Company had post-apportioned Massachusetts net operating losses of $71,356 and $63,042, respectively, that can generally be carried forward 20 years and will expire at various dates through 2043.

As of December 31, 2023, the Company had $1,483 and $708 of federal and state research and development credits, respectively, which will expire at various dates through 2043. As of December 31, 2022, the Company had $1,185 and $571 of federal and state research and development credits, respectively, which will expire at various dates through 2042.

Pursuant to Internal Revenue Code Sections 382 and 383, annual use of the Company's net operating losses and other carryforward tax attributes may be limited in the event a cumulative change in ownership of more than 50% that occurs within a three-year period. The Company has not completed an ownership change analysis pursuant to IRS Section 382. If ownership changes have occurred or occur in the future, the amount of remaining tax attribute carryforwards available to offset taxable income and income tax expense in future years may be restricted or eliminated. If eliminated, the related asset would be removed from deferred tax assets with a corresponding reduction in the valuation allowance.

The calculation of the Company's tax liabilities involves dealing with uncertainties in the application of complex tax regulations in a multitude of jurisdictions. The Company recognizes liabilities for uncertain tax positions based on a two-step process. First, management determines whether it is more likely than not that the tax positions will be sustained on audit, including resolution of related appeals or litigation processes, based on their technical merits. Second, management measures the tax benefit of those positions as the largest amount that is more than 50% likely to be realized upon ultimate settlement with the related tax authority. While the Company believes that it has appropriate support for the positions taken on its tax returns, the Company regularly assesses the potential outcome of examinations by tax authorities in determining the adequacy of its provision for income taxes. As of December 31, 2023 and 2022, the Company did not have any uncertain tax positions.

The Company's policy is to recognize interest and penalties related to unrecognized tax benefits on the income tax expense line in the accompanying consolidated statement of operations and any accrued interest and penalties on the related tax liability line in the consolidated balance sheets. As of December 31, 2023 and 2022, no accrued interest or penalties are included on the related tax liability line in the consolidated balance sheets.

The Company files income tax returns in the U.S. federal jurisdiction and various state jurisdictions. There are currently no pending income tax examinations. To the extent the Company has tax attribute carryforwards, the tax years in which the attribute was generated may still be adjusted upon examination by the Internal Revenue Service and state tax authorities to the extent the tax attributes are utilized in a future period.

14. Employee Benefit Plan

The Company has a 401(k) retirement plan available to all eligible employees. During the years ended December 31, 2023 and 2022, the matching contribution to the plan were $136 and $119, respectively.

15. Related Parties

On January 15, 2020, the Company entered into an agreement for various consulting services, as defined in the agreement, with a member of the Company's Board of Directors. On January 1, 2023, the Company entered into a new consulting agreement with the same director, which superseded the agreement dated in January 2020. During the years ended December 31, 2023 and 2022, the Company incurred $250 and $435, respectively under this agreement, of which $21 and $194 remain unpaid as of December 31, 2023 and 2022, respectively.

On December 1, 2021, the Company entered into a consulting agreement with another member of the Company's Board of Directors. Under the agreement, the Company is obligated to pay fees for various consulting services, as defined in the agreement. During the years ended December 31, 2023 and 2022, the Company incurred $0 and $280, respectively under this agreement, of which $8 remains unpaid as of both December 31, 2023 and 2022, respectively.

In September 2022, the Company entered into a collaboration and license agreement with Celltrion, a significant investor in the Company's Series F, as discussed in Note 5. The Company entered into ABP-100 Agreement and ABP-201 Agreement with ABI, a significant investor in the Company's Series E and F, described in Note 5.

On October 18, 2023, the Company issued a promissory note to ABI in the principal amount of up to $6,000 for expenses incurred in connection with the Business Combination and for its operating expenses, as discussed in Note 9.

On December 29, 2023, the Company issued promissory notes to one of its executives and one of its directors in the principal amount of $176 and $124, respectively, as discussed in Note 9.

16. Subsequent Events

Promissory Note with ABI

The Company received $3,315 through the issuance date of these financial statements under the promissory note with ABI.

PART II - INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth the expenses in connection with this registration statement.

	Amount to be paid
SEC registration fee	$ 56,610.02
Accounting fees and expenses	*
Legal fees and expenses	*
Printing and miscellaneous expenses	*
Total	*

* These fees are calculated based on the securities offered and the number of issuances and accordingly cannot be determined at this time.

Item 14. Indemnification of Directors and Officers

Indemnification of Directors and Officers

Section 145 of the DGCL provides, generally, that a corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that such person is or was a director, officer, employee or agent of the corporation against all expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. A corporation may similarly indemnify such person for expenses actually and reasonably incurred by such person in connection with the defense or settlement of any action or suit by or in the right of the corporation, provided that such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, in the case of claims, issues and matters as to which such person shall have been adjudged liable to the corporation, provided that a court shall have determined, upon application, that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

In accordance with Section 102(b)(7) of the DGCL, the Charter provides that a director will not be personally liable to New Abpro or New Abpro's stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to New Abpro or New Abpro's stockholders, (ii) for acts of bad faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL, or (iv) for any transaction from which the director derived an improper personal benefit. No such provision shall eliminate or limit the liability of a director for any act or omission occurring prior to the date when such provision became effective. Accordingly, these provisions will have no effect on the availability of equitable remedies such as an injunction or rescission based on a director's breach of his or her duty of care.

The Charter provides that New Abpro will indemnify its present and former directors and officers to the fullest extent permitted by the DGCL and that such indemnification will not be exclusive of any other rights to which those seeking indemnification may have or hereafter acquire under law, the ACAB charter, the Bylaws, an agreement, a vote of stockholders or disinterested directors, or otherwise.

New Abpro has entered into indemnification agreements with each of its current directors and executive officers. These agreements require New Abpro to indemnify these individuals to the fullest extent permitted under Delaware law against liabilities that may arise by reason of their service to New Abpro, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified. New Abpro also intends to enter into indemnification agreements with future directors and executive officers.

Item 15. Recent Sales of Unregistered Securities

The Company has not sold any within the past three years which were not registered under the Securities Act of 1933 except as follows:

Private Placements in Connection with Pono's IPO

In October 2021, our Sponsor purchased an aggregate of 7,187,500 Founder Shares for an aggregate purchase price of $25,000, or approximately $0.0035 per share, in a private placement. On January 19, 2022, 3,750 shares were cancelled by the Company. Such securities were issued pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act of 1933.

Simultaneous with the consummation of the IPO and the issuance and sale of the IPO units, the Company consummated the private placement of 13,850,000 Placement Warrants at a price of $1.00 per Placement Warrant, generating total proceeds of $13,850,000 (the "Private Placement"). The Placement was conducted as a non-public transaction and, as a transaction by an issuer not involving a public offering and was exempt from registration under the Securities Act of 1933 in reliance upon Section 4(a)(2) of the Securities Act of 1933.

PIPE Offering

Simultaneous with the Closing, New Abpro also completed its previously announced private investment in public equity, issuing 1,122,467 shares of Common Stock and 2,244,934 Incentive Shares in the PIPE Offering, which raised $7.0 million in net proceeds. The shares were issued to the investors in reliance upon exemption from the registration requirements under Section 4(a)(2) under the Securities Act of 1933.

Underwriter and Vendor Shares

At the closing of the Business Combination, New Abpro issued an aggregate of 1,642,852 shares of Common Stock to certain vendors, consisting of (i) 350,000 shares of Common Stock issued to Pillsbury Winthrop Shaw Pittman LLC in consideration for legal services provided to ACAB issued at a value of $10.00 per share, (ii) 600,000 shares of Common Stock issued to Cantor in satisfaction of Cantor's deferred underwriting fee from the ACAB IPO at a value of $10.00 per share, (iii) 100,000 shares of Common Stock issued to Roth Capital Partners, LLC for advisory services at a value of $10.00 per share, and (iv) 32,852 shares of Common Stock issued to Brookline Capital, in partial satisfaction of financial advisory fees at a value of $10.00 per share, (v) 360,000 shares of Common Stock issued to Polar Multi-Strategy Master Fund for advisory services at a value of $10.00 per share in satisfaction of an outstanding loan, (vii) 200,000 shares to J.V.B. Financial Group, LLC at a value of $10.00 per share, (viii) 600,601 shares of Common Stock issued to the Sponsor in satisfaction of a working capital note issued to ACAB for aggregate consideration of approximately $2.0 million, or approximately $3.33 per share, and (ix) 600,000 shares of Common Stock issued to Mr. Chan, Abpro Corporation and New Abpro's Chief Executive Officer, in satisfaction of an approximately $2.0 million promissory note of Abpro Corporation, at a value of $3.33 per share. All of such shares were issued in reliance upon exemption from the registration requirements under Section 4(a)(2) under the Securities Act of 1933.

Standby Equity Purchase Agreement

On October 30, 2024, the Company and Abpro Corporation entered into a Standby Equity Purchase Agreement (the "SEPA") with Yorkville. Subject to the satisfaction of the conditions set forth in the SEPA, Yorkville advanced to the Company the aggregate principal amount of $5,000,000 (the "Pre-Paid Advance"), which was evidenced by convertible promissory notes (each a "Promissory Note"). The first tranche of the Pre-Paid Advance was in a principal amount of $3,000,000 and advanced the first trading day following the Closing of the Business Combination, and the second and final tranche of the Pre-Paid Advance shall be in a principal amount of $2,000,000 and advanced on the later of (i) the second trading day after the initial registration statement filed pursuant to the registration rights agreement becomes effective and (ii) the second trading day after the required shareholder approval to issue shares of the Company's Common Stock in excess of the Exchange Cap, as defined in the SEPA, has been obtained. At each closing of a tranche of the Pre-Paid Advance, Yorkville shall advance to the Company the principal amount of the Pre-Paid Advance, less a discount in an amount equal to 8% of the principal amount of the Pre-Paid Advance netted from the purchase price due and structured as an original issue discount, in immediately available funds to an account designated by the Company in writing, and the Company shall deliver a Promissory Note, as defined in the SEPA, having a principal amount equal to the full amount of such Pre-Paid Advance, duly executed on behalf of the Company.

On November 14, 2024, pursuant to the SEPA, New Abpro entered into a Convertible Promissory Note ("Yorkville Note") for $3,000,000, and received net proceeds of $2,755,000. The Yorkville Note has a maturity of November 13, 2025, incurs interest at a rate of 0% (or 18% upon the occurrence of an uncured Event of Default), and is redeemable at the option of New Abpro if the VWAP of the Common Stock is less than $11.50. New Abpro has a right to convert any portion of the Yorkville Note at any time at a conversion price equal to the lower of $11.50, 94% of the daily VWAP during the previous 5 consecutive trading days, which may be adjusted downward upon payment of stock dividend, stock split or reclassification, or if New Abpro issues Common Stock for no consideration or at a price lower than the then-effective Fixed Price (as defined in the Yorkville Note).

Upon the Closing of the Business Combination, the Company has the right, but not the obligation, to issue shares of its Common Stock pursuant to the SEPA to Yorkville ("Advance Shares", and such issuance and sale, an "Advance") and Yorkville shall subscribe for and purchase from the Company such Advance Shares, through written notice by the Company to Yorkville ("Advance Notice"), provided (i) no balance is outstanding under a Promissory Note, or (ii) if there is a balance outstanding under a Promissory Note, an Amortization Event (as defined in the Promissory Note), has occurred in accordance with and subject to the terms of the Promissory Note. The Company has the discretion to select the number of Advance Shares, not to exceed the Maximum Advance Amount (as defined in the SEPA), that it desires to issue and sell to Yorkville in each Advance Notice. If any amount remains outstanding under any Promissory Note, without the prior written consent of Yorkville, the Company may only (other than with respect to a deemed Advance Notice pursuant to an Investor Notice (described in the SEPA)) submit an Advance Notice (A) if an Amortization Event has occurred and the obligation of the Company to make monthly prepayments under the Promissory Note has not ceased, and (B) Yorkville pays the aggregate purchase price owed to the Company from such Advance by offsetting the amount of the Advance Proceeds against an equal amount outstanding under the subject Promissory Note, subject to the terms and conditions of the SEPA.

"Maximum Advance Amount" means (A) in respect of each Advance Notice delivered by the Company under the applicable provisions of the SEPA, an amount equal to one hundred percent (100%) of the average of the daily traded amount of its shares of common stock during the five consecutive trading days immediately preceding an Advance Notice, and (B) in respect of each Advance Notice deemed delivered by the Company pursuant to an Investor Notice, the amount selected by Yorkville in such Investor Notice, which amount shall not exceed the limitations set forth in Section 3.02 of the SEPA, including, among other things, (i) that all shares of the Company's Common Stock then beneficially owned by Yorkville and its affiliates shall not exceed 4.99% of the then outstanding voting power of the Company or number of shares of the Company's Common Stock, (ii) that the aggregate number of shares issued and sold to Yorkville by the Company pursuant to Advance Notices under the SEPA shall not exceed the amount registered in respect of the transaction contemplated by the SEPA under the Registration Statement (as defined below) then in effect and (iii) that the aggregate number of shares of Common Stock issued pursuant to the SEPA and the Pre-Paid Advance cannot exceed 19.9% of the Common Stock of the Company outstanding as of the effective date of the SEPA (the "Exchange Cap"). The Exchange Cap shall not be applicable if: (a) the Company's stockholders have approved the issuance of Common Stock in excess of the Exchange Cap in accordance with the applicable rules of Nasdaq Stock Market LLC ("Nasdaq") or (b) the average price of all sales of Common Stock under the SEPA equals or exceed the lower of (i) the Nasdaq official closing price immediately preceding the effective date of the SEPA; or (ii) the average Nasdaq official closing price for the five trading days immediately preceding the effective date. The SEPA contemplates purchase by Yorkville of up to $50 million in aggregate gross purchase price for newly issued shares of the Company Common Stock.

The purchase price for the Advance Shares shall be the price per Advance Share obtained by multiplying the Market Price (i) by 96% in respect of an Advance Notice delivered by the Company with an Option 1 Pricing Period (defined by reference to VWAP on the trading day the Advance Notice is submitted, starting at 9:00 a.m. New York City time or, if submitted after 9:00 a.m. New York City time, at the time the investor confirms receipt), (ii) 97% in respect of an Advance Notice with an Option 2 Pricing Period (defined by reference to the lowest daily VWAP on three consecutive trading days commencing on the Advance Notice Date), or (iii) in the case of any Advance Notice delivered pursuant to an Investor Notice, equal to the Conversion Price (as defined in the Promissory Note).

In the SEPA, Yorkville represented to the Company, among other things, that it is an "accredited investor" (as such term is defined in Rule 501(a) of Regulation D under the Securities Act). The securities issuable in connection with the SEPA are being issued and sold by the Company to Yorkville in reliance upon the exemption from the registration requirements of the Securities Act afforded by Section 4(a)(2) of the Securities Act.

Item 16. Exhibits

The following is a list of exhibits filed as a part of this registration statement:

Exhibit No.	Description
2.1	Business Combination Agreement, dated as of December 11, 2023 (incorporated by reference to Annex A to ACAB's registration statement on Form S-4/A filed with the SEC on October 17, 2024).
2.2	Amendment No. 1 to Business Combination Agreement, dated September 4, by and among ACAB, Merger Sub and Abpro (incorporated by reference to Exhibit 10.1 to ACAB's Current Report on Form 8-K filed with the SEC on September 4, 2024).
3.1	New Abpro Second Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on November 25, 2024).
3.2	New Abpro Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the SEC on November 25, 2024).
4.1	Specimen Series A Common Stock Certificate (incorporated by reference to ACAB's Registration Statement on Form S-1/A filed with the SEC on December 20, 2021).
4.2	Specimen Public Warrant Certificate (included in Exhibit 4.4) (incorporated by reference to ACAB's Registration Statement on Form S-1 filed with the SEC on December 2, 2021).
4.3	Public Warrant Agreement, dated January 13, 2022, between ACAB and Continental Stock Transfer & Trust Company, as warrant agent (incorporated by reference to ACAB's Current Report on Form 8-K filed with the SEC on January 19, 2022).
4.4	Specimen Private Warrant Certificate (included in Exhibit 4.6) (incorporated by reference to ACAB's Registration Statement on Form S-1 filed with the SEC on December 2, 2021).
5.1	Opinion of Nelson Mullins Riley & Scarborough LLP as to the validity of the securities being registered.
4.5	Private Warrant Agreement, dated January 13, 2022, between ACAB and Continental Stock Transfer & Trust Company (incorporated by reference to ACAB's Current Report on Form 8-K filed with the SEC on January 19, 2022).
10.1	Investment Management Trust Agreement, dated January 13, 2022, by and between ACAB and Continental Stock Transfer & Trust Company, as trustee (incorporated by reference to ACAB's Current Report on Form 8-K filed with the SEC on January 19, 2022).
10.2	Securities Subscription Agreement, dated October 25, 2021, between ACAB and the Sponsor (incorporated by reference to Exhibit 10.3 to ACAB's registration statement on Form S-1 filed with the SEC on December 2, 2021).
10.3	Private Placement Warrant Purchase Agreement, dated January 13, 2022, by and between ACAB and the Sponsor (incorporated by reference to ACAB's Current Report on Form 8-K filed with the SEC on January 19, 2022).
10.4	Letter Agreement, dated January 13, 2022, among ACAB and its officers, directors, and the Sponsor (incorporated by reference to ACAB's Current Report on Form 8-K filed with the SEC on January 19, 2022).
10.5	Registration Rights Agreement, dated January 13, 2022, among ACAB, the Sponsor and certain securityholders of ACAB (incorporated by reference to ACAB's Current Report on Form 8-K filed with the SEC on January 19, 2022).
10.6	Amended Sponsor Letter Agreement, dated as of January 18, 2024, by and among ACAB, Abpro, the Sponsor and directors and officers of ACAB (incorporated by reference to Exhibit 10.1 to ACAB's Current Report on Form 8-K filed with the SEC on January 19, 2024).
10.7	Form of Abpro Lock-Up Agreement (incorporated by reference to Exhibit 10.11 to ACAB's Registration Statement on Form S-4/A, filed with the SEC on October 17, 2024).
10.8	Form of Director and Officer Indemnification Agreement (incorporated by reference to Exhibit 10.12 to ACAB's Registration Statement on Form S-4/A, filed with the SEC on October 17, 2024).

10.9+	Abpro Holdings, Inc. 2024 Equity Incentive Plan (incorporated by reference to Exhibit 10.9 to the Company's Current Report on Form 8-K filed with the SEC on November 25, 2024).
10.10+	Employment Agreement, dated as of January 15, 2020, by and between Abpro and Ian Chan (incorporated by reference to Exhibit 10.14 to ACAB's Registration Statement on Form S-4, filed with the SEC on January 19, 2024).
10.11+	Offer Letter, dated June 11, 2018, by and between Abpro and Rob Markelewicz (incorporated by reference to Exhibit 10.15 to ACAB's Registration Statement on Form S-4, filed with the SEC on January 19, 2024).
10.12	Consulting Agreement, dated January 1, 2023, by and between the Company and NEM LLC (incorporated by reference to Exhibit 10.18 to ACAB's Registration Statement on Form S-4, filed with the SEC on January 19, 2024).
10.13	Commercial Lease Agreement, dated July 2, 2014, by and between Abpro and Cummings Properties, LLC (incorporated by reference to Exhibit 10.19 to ACAB's Registration Statement on Form S-4, filed with the SEC on January 19, 2024).
10.14	Lease Extension #1 to Commercial Lease Agreement, dated May 22, 2017, by and between Abpro and Cummings Properties, LLC (incorporated by reference to Exhibit 10.20 to ACAB's Registration Statement on Form S-4, filed with the SEC on January 19, 2024).
10.15	Lease Extension #2 to Commercial Lease Agreement, dated March 9, 2021, by and between Abpro and Cummings Properties, LLC (incorporated by reference to Exhibit 10.21 to ACAB's Registration Statement on Form S-4, filed with the SEC on January 19, 2024).
10.16#	Collaboration and License Agreement, dated August 26, 2016, as amended by the First Amendment to License Agreement dated November 11, 2016, as amended by the Second Amendment to License Agreement dated November 1, 2017, as amended by the Third Amendment to License Agreement dated March 5, 2018, and as amended by the Fourth Amendment to License Agreement dated December 9, 2019, by and between Abmed Corporation, MedImmune Limited and Abpro (incorporated by reference to Exhibit 10.22 to ACAB's Registration Statement on Form S-4/A, filed with the SEC on April 2, 2024).
10.17	Side Letter Agreement, dated August 8, 2017, by and among the Company, AbMed Corporation, and MedImmune Limited (incorporated by reference to Exhibit 10.23 to ACAB's Registration Statement on Form S-4/A, filed with the SEC on April 2, 2024).
10.18#	Patent License Agreement, dated August 29, 2017, as amended by the First Amendment, dated May 20, 2020, and as amended by the Second Amendment, dated October 13, 2023, by and between Abpro and The U.S. Department of Health and Human Services, as represented by The National Cancer Institute (incorporated by reference to Exhibit 10.24 to ACAB's Registration Statement on Form S-4/A, filed with the SEC on April 2, 2024).
10.19#	Collaboration Agreement, dated as of January 30, 2019, by and between Abpro and Nanjing Chia Tai Tianqing Pharmaceutical Co., Ltd. (incorporated by reference to Exhibit 10.25 to ACAB's Registration Statement on Form S-4/A, filed with the SEC on April 2, 2024).
10.20#	Collaboration and License Agreement, dated December 14, 2019, by and between Abpro and Abpro Bio International, Inc. (incorporated by reference to Exhibit 10.26 to ACAB's Registration Statement on Form S-4/A, filed with the SEC on April 2, 2024).
10.21#	Collaboration and License Agreement, dated January 15, 2020, by and between Abmed Corporation and Abpro Bio International, Inc. (incorporated by reference to Exhibit 10.22 to ACAB's Registration Statement on Form S-4/A, filed with the SEC on April 2, 2024).
10.22#	Collaboration Agreement, dated September 21, 2022, by and between Abpro and Celltrion, Inc. (incorporated by reference to Exhibit 10.28 to ACAB's Registration Statement on Form S-4/A, filed with the SEC on April 2, 2024).
10.23	Form of Investor Subscription Agreement (incorporated by reference to Exhibit 10.1 to ACAB's Current Report on Form 8-K filed with the SEC on August 28, 2024).

10.24	Investor Rights Agreement, dated August 22, 2024 by and between Atlantic Coastal Acquisition Corp. II and Celltrion, Inc. (incorporated by reference to Exhibit 10.2 to ACAB's Current Report on Form 8-K filed with the SEC on August 28, 2024).
10.25	Amendment to Collaboration Agreement, dated October 9, 2024, by and between Abpro and Celltrion, Inc. (incorporated by reference to Exhibit 10.34 to ACAB's Registration Statement on Form S-4/A, filed with the SEC on October 9, 2024).
10.26	Confirmation of an OTC Equity Prepaid Forward Transaction, dated November 7, 2024, by and among the Company, Abpro and YA II PN, LTD. (incorporated by reference to Exhibit 10.1 to ACAB's Current Report on Form 8-K filed with the SEC on November 8, 2024).
10.27	Non-Redemption Agreement, dated November 5, 2024, by and among the Company and with Sandia Investment Management LP (incorporated by reference to Exhibit 10.1 to ACAB's Current Report on Form 8-K filed with the SEC on November 5, 2024).
10.28	Standby Equity Purchase Agreement dated October 30, 2024, by and among Atlantic Coastal Acquisition Corp. II, Abpro Corporation and YA II PN, Ltd. (incorporated by reference to Exhibit 10.1 to ACAB's Current Report on Form 8-K filed with the SEC on November 4, 2024).
10.29	Registration Rights Agreement dated October 30, 2024, by and among Atlantic Coastal Acquisition Corp. II, Abpro Corporation and YA II PN, Ltd. (incorporated by reference to Exhibit 10.2 to ACAB's Current Report on Form 8-K filed with the SEC on November 4, 2024).
10.30	Convertible Promissory Note, dated November 13, 2024 (incorporated by reference to Exhibit 10.30 to the Company's Current Report on Form 8-K filed with the SEC on November 25, 2024).
16.1	Letter from Marcum LLP to the Securities and Exchange Commission dated December 9, 2024 (incorporated by reference to Exhibit 16.1 to the Company's Current Report on Form 8-K filed with the SEC on December 10, 2024).
21.1	Subsidiaries of the Registrant (incorporated by reference to Exhibit 21.1 to the Company's Current Report on Form 8-K filed with the SEC on November 25, 2024).
23.1*	Consent of Marcum LLP
23.2*	Consent of Wolf & Company, P.C.
23.4*	Consent of Nelson Mullins Riley & Scarborough LLP (included in Exhibit 5.1)
24.1*	Power of Attorney (included on the signature page hereto)
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)
107*	Filing Fee Table

* Filed herewith.

\+ Indicates a management or compensatory plan.

\# Certain information in this document has been excluded pursuant to Regulation S-K, Item 601(b)(10). Such excluded information is not material and would likely cause competitive harm to the Registrant if publicly disclosed. The Registrant agrees to furnish supplementally a copy of any such omitted exhibits and schedules to the SEC upon its request.

Undertakings

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

Provided, however, that: provided, however, that: Paragraphs (a)(1)(i), (a)(1)(ii) and (a)(1)(iii) of this section do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(5) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities:

The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

Signatures

Pursuant to the requirements of the Securities Act, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Woburn, Massachusetts on December 23, 2024.

ABPRO HOLDINGS, INC.

By: */s/ Ian Chan*
Name: Ian Chan
Title: Chief Executive Officer

POWER OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Ian Chan, the individual's true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for the person and in his or her name, place and stead, in any and all capacities, to sign this Registration Statement and any or all amendments, including post-effective amendments to the Registration Statement, including a prospectus or an amended prospectus therein and any Registration Statement for the same offering that is to be effective upon filing pursuant to Rule 462 under the Securities Act, and all other documents in connection therewith to be filed with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact as agents or any of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement and Power of Attorney have been signed by the following persons in the capacities indicated on the 23rd day of December, 2024.

Signature	Title
/s/ Ian Chan Ian Chan	Chief Executive Officer and Director (Principal Executive Officer, Principal Financial and Accounting Officer)
/s/ Miles Suk Miles Suk	Co-Chief Executive Officer and Chairman of the Board (Principal Executive Officer)
/s/ Anthony D. Eisenberg Anthony D. Eisenberg	Director
/s/ Soo Young Lee Soo Young Lee	Director
/s/ Ian McDonald Ian McDonald	Director

Exhibit 5.1

NELSON MULLINS RILEY & SCARBOROUGH LLP
ATTORNEYS AND COUNSELORS AT LAW
101 Constitution Ave, NW, Suite 900
Washington, DC 20001
nelsonmullins.com

December 23, 2024

Abpro Holdings, Inc.
68 Cummings Park Drive
Woburn, Massachusetts 01801

Re: Registration Statement on Form S-1

Ladies and Gentlemen:

We have acted as counsel to Abpro Holdings, Inc., a Delaware corporation (the "Company"), in connection with the registration of (i) the issuance by the Company of up to 28,850,000 shares (the "Warrant Shares") of common stock, $0.0001 par value per share (the "Common Stock") that are issuable from time to time upon exercise of outstanding warrants (the "Warrants"), (ii) the offer and sale by certain selling stockholders (the "Selling Stockholders") named in the Registration Statement (defined below) of an aggregate of up to 21,980,472 shares of Common Stock (the "Resale Shares"), (iii) the offer and sale by YA II PN, Ltd., a Cayman Islands exempt limited partnership ("Yorkville"), of up to 9,804,840 shares of Common Stock (the "Purchase Shares") pursuant to a standby equity purchase agreement, dated as of October 30, 2024, by and between the Company and Yorkville (the "SEPA"), and (iv) the offer and sale by certain of the Selling Stockholders of up to 13,850,000 warrants (the "Resale Warrants") to acquire Common Stock.

The Warrant Shares, Resale Shares, Purchase Shares, and Resale Warrants are included in a registration statement on Form S-1 under the Securities Act of 1933, as amended (the "Act"), filed with the Securities and Exchange Commission (the "Commission") on the date hereof (the "Registration Statement"). This opinion is being furnished in connection with the requirements of Item 601(b)(5) of Regulation S-K under the Act, and no opinion is expressed herein as to any matter pertaining to the contents of the Registration Statement or related prospectus or prospectus supplement (collectively, the "Prospectus"), other than as expressly stated herein.

As such counsel, we have examined such matters of fact and questions of law as we have considered appropriate for purposes of this letter. With your consent, we have relied upon certificates and other assurances of officers of the Company and others as to factual matters without having independently verified such factual matters. We are opining herein as to General Corporation Law of the State of Delaware, and we express no opinion with respect to any other laws.

Subject to the foregoing and the other matters set forth herein, it is our opinion that, as of the date hereof:

1. The Resale Shares have been duly authorized by all necessary corporate action of the Company and are validly issued, fully paid and nonassessable.

2. When issued and paid for in accordance with the SEPA, the Purchase Shares will be duly authorized and, when issued upon receipt by the Company of the consideration therefore, will be validly issued, fully paid and nonassessable.

3. The Resale Warrants are the legally valid and binding obligations of the Company, enforceable against the Company in accordance with their terms.

4. When the Warrant Shares initially issuable upon exercise of the Warrants shall have been duly registered on the books of the transfer agent and registrar therefor in the name of or on behalf of the Warrant holders, and have been issued by the Company against payment therefor (not less than par value) in the circumstances contemplated by the Warrants, the Warrant Shares will have been duly authorized by all necessary corporate action of the Company, and will be validly issued, fully paid and nonassessable. In rendering this opinion, we have assumed that the Company will comply with all applicable notice requirements regarding uncertificated shares provided in the General Corporation Law of the State of Delaware.

Our opinion set forth in numbered paragraph 3 is subject to: (i) the effect of bankruptcy, insolvency, reorganization, preference, fraudulent transfer, moratorium or other similar laws relating to or affecting the rights and remedies of creditors; (ii) the effect of general principles of equity, whether considered in a proceeding in equity or at law (including the possible unavailability of specific performance or injunctive relief), concepts of materiality, reasonableness, good faith and fair dealing, and the discretion of the court before which a proceeding is brought; (iii) the invalidity under certain circumstances under law or court decisions of provisions providing for the indemnification of or contribution to a party with respect to a liability where such indemnification or contribution is contrary to public policy; and (iv) we express no opinion as to (a) any provision for liquidated damages, default interest, late charges, monetary penalties, make-whole premiums or other economic remedies to the extent such provisions are deemed to constitute a penalty, (b) consents to, or restrictions upon, governing law, jurisdiction, venue, arbitration, remedies, or judicial relief, (c) waivers of rights or defenses, (d) any provision requiring the payment of attorneys' fees, where such payment is contrary to law or public policy, (e) the creation, validity, attachment, perfection, or priority of any lien or security interest, (f) advance waivers of claims, defenses, rights granted by law, or notice, opportunity for hearing, evidentiary requirements, statutes of limitation, trial by jury or at law, or other procedural rights, (g) waivers of broadly or vaguely stated rights, (h) provisions for exclusivity, election or cumulation of rights or remedies, (i) provisions authorizing or validating conclusive or discretionary determinations, (j) grants of setoff rights, (k) proxies, powers and trusts, (l) provisions prohibiting, restricting, or requiring consent to assignment or transfer of any right or property, and (m) the severability, if invalid, of provisions to the foregoing effect.

With your consent, we have assumed (a) that the Warrants have been or will be duly authorized, executed and delivered by the parties thereto other than the Company, (b) that such securities constitute or will constitute legally valid and binding obligations of the parties thereto other than the Company, enforceable against each of them in accordance with their respective terms and (c) that the status of the Warrants as legally valid and binding obligations of the parties will not be affected by any (i) breaches of, or defaults under, agreements or instruments, (ii) violations of statutes, rules, regulations or court or governmental orders or (iii) failures to obtain required consents, approvals or authorizations from, or to make required registrations, declarations or filings with, governmental authorities.

We express no opinion as to any matter other than as set forth herein, and no opinion may be inferred or implied herefrom. We assume no obligation to advise you of any changes in the foregoing subsequent to the date of this opinion.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to this firm under the caption "Legal Matters" in the prospectus which forms a part of the Registration Statement. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission thereunder.

Very truly yours,

/s/ Nelson Mullins Riley & Scarborough LLP

Nelson Mullins Riley & Scarborough LLP

Exhibit 23.1

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the inclusion in this Registration Statement of Abpro Holdings, Inc. (f/k/a Atlantic Coastal Acquisition Corp. II) on Form S-1 of our report dated March 28, 2024, which includes an explanatory paragraph as to the Atlantic Coastal Acquisition Corp. II's ability to continue as a going concern with respect to our audits of the financial statements of Atlantic Coastal Acquisition Corp. II as of December 31, 2023 and 2022 and for the years ended December 31, 2023 and 2022, which report appears in the Prospectus, which is part of this Registration Statement. We were dismissed as auditors on December 9, 2024 and, accordingly, we have not performed any audit or review procedures with respect to any financial statements appearing in such Prospectus for the periods after the date of our dismissal. We also consent to the reference to our Firm under the heading "Experts" in such Prospectus.

/s/ Marcum LLP

Marcum LLP
Morristown, NJ
December 23, 2024

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Registration Statement on Form S-1 of Abpro Holdings, Inc. of our report dated March 1, 2024, relating to the consolidated financial statements of Abpro Corporation and Subsidiary, appearing in the Prospectus, which is part of this Registration Statement.

We also consent to the reference to our firm under the caption "Experts" in such Prospectus.

/s/ Wolf & Company, P.C.

Boston, Massachusetts
December 23, 2024

Exhibit 107

Calculation of Filing Fee Table

FORM S-1
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933
(Form Type)

Abpro Holdings, Inc.
(Exact Name of Registrant As Specified in its Charter)

Table 1: Newly Registered Securities

	Security Type	Security Class Title	Fee Calculation Rule	Amount Registered (1)	Proposed Maximum Offering Price Per Share	Maximum Aggregate Offering Price	Fee Rate	Amount of Registration Fee
		Newly Registered Securities						
Fees to Be Paid	Equity	Common Stock, par value $0.0001 per share (Primary Offering)(2)	Other(3)	28,850,000	11.50(3)	$331,775,000.00	0.00015310	$ 50,794.75
	Equity	Common Stock, par value $0.0001 per share (Secondary Offering)(4)	Other(5)	31,785,312	1.20(5)	$ 37,983,447.84	0.00015310	$ 5,815.27
	Equity	Warrants to purchase Class A ordinary shares (Secondary Offering) (6)	Other(7)	13,850,000	—	—	—	—(7)
Fees Previously Paid	—	—	—	—	—	—	—	—
				Total Offering Amounts		$369,758,447.84		$ 56,610.02
				Total Fees Previously Paid				$ —
				Total Fee Offsets				$ —
				Net Fees Due				$ 56,610.02

(1) Pursuant to Rule 416(a) promulgated under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), there are also being registered an indeterminable number of additional securities as may be issued to prevent dilution resulting from stock splits, stock dividends, or similar transactions.

(2) Reflects up to 15,000,000 shares of common stock, par value $0.0001 per share (the "**Common Stock**") issuable upon the exercise of 15,000,000 warrants (the "**Public Warrants**") originally issued in the initial public offering of Atlantic Coastal Acquisition Corp. II ("**ACAB**"), and (ii) up to an aggregate of 13,850,000 shares of Common Stock issuable upon the exercise of 13,850,000 warrants (the "**Placement Warrants**," together with the Public Warrants, the "**Warrants**") that made up a part of the private units originally issued in a private placement in connection with ACAB's initial public offering.

(3) Pursuant to 457(g), reflects the Common Stock that may be issued upon exercise of the Warrants at an exercise price of $11.50 per share of Common Stock.

(4) Represents the resale of the selling shareholders named in this prospectus (including their permitted transferees, donees, pledgees and other successors-in-interest) (collectively, the "**Selling Shareholders**") of up to an aggregate of 31,785,312 shares of Common Stock, consisting of (i) an aggregate of 1,122,467 shares of Common Stock, issued in a private investment in public equity (the "**PIPE Offering**") to certain investors (the "**PIPE Investors**") pursuant to the terms of individual subscription agreements, in connection with the Business Combination (as defined below) at $10.00 per share, (ii) an aggregate of 2,244,934 shares of Common Stock issued to the PIPE Investors as incentive shares for participating in the PIPE Offering for no additional consideration, (iii) 350,000 shares of Common Stock issued to Pillsbury Winthrop Shaw Pittman LLC in consideration for legal services provided to ACAB issued at a value of $10.00 per share, (iv) 600,000 shares of Common Stock issued to Cantor Fitzgerald & Co. in satisfaction of Cantor's deferred underwriting fee from the ACAB IPO at a value of $10.00 per share, (v) 100,000 shares of Common Stock issued to Roth Capital Partners, LLC for advisory services at a value of $10.00 per share, (vi) 32,852 shares of Common Stock issued to Brookline Capital, in partial satisfaction of financial advisory fees at a value of $10.00 per share, (vii) 360,000 shares of Common Stock issued to Polar Multi-Strategy Master Fund at a value of $10.00 per share in satisfaction of an outstanding loan, (viii) 200,000 shares to Cohen & Company Capital Markets, a division of J.V.B. Financial Group, LLC for advisory services at a value of $10.00 per share, (ix) 600,601 shares of Common Stock issued to Atlantic Coastal Acquisition Management II LLC, a Delaware limited liability company (the "Sponsor"), in satisfaction of a working capital note issued to ACAB for aggregate consideration of approximately $2.0 million, or approximately $3.33 per share, (x) 600,000 shares of Common Stock issued to Ian Chan, the Company's Chief Executive Officer, in satisfaction of an approximately $2.0 million promissory note of Abpro Corporation, a Delaware corporation ("**Abpro Corporation**"), at a value of $3.33 per share, (xi) an aggregate of 5,973,558 shares of Common Stock that were originally issued as ACAB's Series B common stock that were subsequently converted into ACAB's Series A common stock on April 18, 2023, consisting of (A) 5,673,558 shares of Common Stock originally issued to the Sponsor at a value of $0.0035 per share, comprised of (w) 983,333 shares of which were transferred to Abpro Bio International, Inc. ("**Abpro Bio**") in connection with closing of the business combination (the "**Business Combination**") between ACAB and Abpro Corporation on November 13, 2024 (the "**Closing**"), (x) 983,333 shares of which were transferred to Abpro Corporation's designees in connection with Closing, (y) 825,225 shares of which were transferred to ACAB's designees in connection with Closing, and (z) 2,881,667 shares retained by the Sponsor, (B) 50,000 shares of Common Stock issued to Apeiron Investment Group Ltd. at a value of $7.25 per share, and (C) 250,000 shares of Common Stock transferred from the Sponsor to former directors of ACAB for no additional consideration on October 25, 2021, (xii) an aggregate of 9,498,900 shares of Common Stock issued as merger consideration in connection with the Business Combination to officers and directors of the Company at a value of $10.00 per share, and (xiii) up to 10,102,000 shares of Common Stock issuable pursuant to the Standby Equity Purchase Agreement (the "**SEPA**") with YA II PN, Ltd. ("**Yorkville**"), which represents the number of shares of Common Stock representing the Exchange Cap (as defined in the SEPA), including 297,160 shares of Common Stock issued to Yorkville as commitment shares pursuant to the terms of the SEPA.

(5) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities Act, as amended, based on the average of the high and low reported trading prices of the Registrant's Common Shares as reported on the Nasdaq Global Market on December 18, 2024, such date being within five business days of the date that this Registration Statement was filed with the SEC.

(6) Represents the resale of the selling warrant holders named in this prospectus (including their permitted transferees, donees, pledgees and other successors-in-interest) of up to an aggregate of 13,850,000 Placement Warrants.

(7) In accordance with Rule 457(i), the entire registration fee for the Placement Warrants is allocated to the Common Shares underlying such warrants, and no separate fee is payable for the Private Warrants.