

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

FORM 10-K/A
(Amendment No.1)

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the year ended December 31, 2023

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number: 001-41250

DIH HOLDING US, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

77 Accord Drive, Suite D-1
Norwell, MA
(Address of principal executive offices)

98-1624542
(I.R.S. Employer
Identification No.)

02061
(zip code)

(877) 944-2000

(Issuer's Telephone Number, Including Area Code)

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Class A Common Stock Warrants	DHAI DHAIW	The Nasdaq Stock Market LLC The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. Yes No

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

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

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

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

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant, based on the closing price of the common stock of the Company on the Nasdaq Stock Market as of the last business day of the Registrant's most recently completed second fiscal quarter, June 30, 2023, was \$63,434,566.

As of April 26, 2024, there were 40,544,935 shares of Class A Common Stock issued and outstanding.

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K hereby amends the Annual Report on Form 10-K for the fiscal year ended December 31, 2023, which DIH Holding US, Inc. previously filed with the Securities and Exchange Commission on April 29, 2024 solely to correct a typographical error in the date of the Report of Independent Registered Public Accounting Firm by amending “April 29, 2023” to “April 29, 2024”.

Except as expressly set forth herein, this Amendment No. 1 to Form 10-K does not reflect events occurring after the date of the original filing of the Form 10-K or modify or update any of the disclosures contained therein in any way. Accordingly, this Amendment No. 1 to Form 10-K should be read in conjunction with the original filing on Form 10-K and the Company’s other filings with the Securities and Exchange Commission.

DIH HOLDING US, INC.

**FORM 10-K
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BASIS OF PRESENTATION

DIH Holding US, Inc. (“DIH”) (formerly known as Aurora Technology Acquisition Corp. or “ATAK”) was a blank check company originally incorporated on August 6, 2021 as a Cayman Islands exempted company for the purpose of effecting a merger, capital share exchange, asset acquisition, share purchase, recapitalization, reorganization, or similar business combination with one or more businesses or entities. On February 7, 2022, the registration statement relating to an initial public offering (“IPO”) was declared effective by the Securities and Exchange Commission (the “SEC”). On February 9, 2022, ATAK consummated the IPO of 20,200,000 units at \$10.00 per unit and the sale of 6,470,000 warrants at a price of \$1.00 per private warrant in a private placement to ATAC Sponsor LLC (the “Sponsor”) that closed simultaneously with the closing of the IPO. The units were listed on the Nasdaq Global Market (“Nasdaq”). On February 26, 2023, ATAK entered into that certain Business Combination Agreement (the “Business Combination Agreement”) by and between ATAK, Aurora Technology Merger Sub (“Merger Sub”) and DIH Holding US, Inc., a Nevada corporation (“Legacy DIH”).

On February 7, 2024 (the “Closing Date”), ATAK, Legacy DIH and Merger Sub consummated the transactions (collectively, the “Transaction”) contemplated by the Business Combination Agreement by means of a domestication of ATAK from the Cayman Islands to Delaware and the subsequent merger of Merger Sub with and into Legacy DIH.

On February 9, 2024, our shares of Class A common stock, par value \$0.0001 (the “Common Stock”), and warrants to purchase shares of Common Stock (the “Warrants”) began trading on Nasdaq Stock Market LLC (“Nasdaq”) under the symbols, “DHAI” and “DHAIW,” respectively.

Unless otherwise indicated, the historical financial information included in this Annual Report on Form 10-K (the “Annual Report”), including the audited financial statements and the notes thereto in Part II. Item 8 and the information in Part II. Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and Item 11. “Executive Compensation” is that of ATAK prior to the consummation of the Transactions. The unaudited combined financial statements of Legacy DIH as of and for the nine months ended December 31, 2023 and 2022 will be included in DIH’s Current Report on Form 8-K, which is anticipated to be filed with the SEC on or about April 29, 2024.

The Business Combination will be accounted for as a reverse recapitalization in accordance with GAAP. Under this method of accounting, ATAK will be treated as the “acquired” company for financial reporting purposes. Accordingly, the Business Combination will be treated as the equivalent of DIH issuing stock for the net assets of ATAK, accompanied by a recapitalization. The net assets of DIH will be stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Business Combination will be those of Legacy DIH.

Certain monetary amounts, percentages, and other figures included herein have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables and charts may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K (“Annual Report”) contains forward-looking statements within the meaning of the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or the Private Securities Litigation Reform Act of 1995. Investors are cautioned that such forward-looking statements are based on our management’s beliefs and assumptions and on information currently available to our management and involve risks and uncertainties. Forward-looking statements include statements regarding our plans, strategies, objectives, expectations and intentions, which are subject to change at any time at our discretion. Forward-looking statements include our assessment, from time to time of our competitive position, the industry environment, potential growth opportunities, the effects of regulation and events outside of our control, such as natural disasters, wars or health epidemics. Forward-looking statements include all statements that are not historical facts and can be identified by terms such as “anticipates,” “believes,” “could,” “estimates,” “expects,” “hopes,” “intends,” “may,” “plans,” “potential,” “predicts,” “projects,” “should,” “will,” “would” or similar expressions.

Forward-looking statements are merely predictions and therefore inherently subject to uncertainties and other factors which could cause the actual results to differ materially from the forward-looking statement. These uncertainties and other factors include, among other things:

- unexpected technical and marketing difficulties inherent in major research and product development efforts;
- our ability to remain a market innovator, to create new market opportunities, and/or to expand into new markets;
- the potential need for changes in our long-term strategy in response to future developments;
- our ability to attract and retain skilled employees;
- our ability to raise sufficient capital to support our operations and fund our growth initiatives;
- unexpected changes in significant operating expenses, including components and raw materials;
- any disruptions or threatened disruptions to or relations with our resellers, suppliers, customers and employees, including shortages in components for our products;
- changes in the supply, demand and/or prices for our products;
- the complexities and uncertainty of obtaining and conducting international business, including export compliance and other reporting and compliance requirements;
- the impact of potential security and cyber threats or the risk of unauthorized access to our, our customers’ and/or our suppliers’ information and systems;
- changes in the regulatory environment and the consequences to our financial position, business and reputation that could result from failing to comply with such regulatory requirements;
- our ability to continue to successfully integrate acquired companies into our operations, including the ability to timely and sufficiently integrate international operations into our ongoing business and compliance programs;
- failure to develop new products or integrate new technology into current products;
- unfavorable results in legal proceedings to which we may be subject;
- failure to establish and maintain effective internal control over financial reporting; and
- general economic and business conditions in the United States and elsewhere in the world, including the impact of inflation.

You should refer to Part I, Item 1A “Risk Factors” of this Annual Report on Form 10-K for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. As a result of the risks, uncertainties and assumptions described under “Risk Factors” and elsewhere, we cannot assure you that the forward-looking statements in this Annual Report on Form 10-K will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame or at all.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance, or events and circumstances reflected in the forward-looking statements will be achieved or occur. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this report to conform these statements to new information, actual results or changes in our expectations, except as required by law.

The forward-looking statements contained in this report are based on our current expectations and beliefs concerning future developments and their potential effects on us. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described under the heading “Risk Factors.” Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

References

INTRODUCTORY NOTE

References to the “Company” refer to DIH Holding US, Inc., a Delaware corporation and its consolidated subsidiaries subsequent to the Business Combination (defined below). References to “DIH” or “New DIH” are to ATAK post-closing of the Business Combination.

References to “management” or “management team” refer to the Company’s officers and directors and references to “Sponsor” refer to ATAC Sponsor, LLC, a Delaware limited liability company.

Market Data and Forecasts

Unless otherwise indicated, information in this Annual Report concerning economic conditions, our industry, and our markets, including our general expectations and competitive position, market opportunity and market size, is based on a variety of sources, including information from independent industry analysts and publications, as well as our own estimates and research. Our estimates are derived from industry and general publications, studies and surveys conducted by third-parties, as well as data from our own internal research. These publications, studies and surveys generally indicate that their information has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information, and we have not independently verified industry data from such third-party sources. While we believe our internal research is reliable and that our internal estimates are reasonable, such research has not been verified by any independent source and our internal estimates are based on our good faith beliefs as of the respective dates of such estimates. We are responsible for all of the disclosure in this Annual Report.

PART I

ITEM 1. BUSINESS

Introduction

DIH Holding US, Inc., a Delaware corporation (“DIH”) (formerly known as Aurora Technology Acquisition Corp. “ATAK”) was formed as a blank check company incorporated in the Cayman Islands on August 6, 2021 for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination. ATAK, Aurora Technology Merger Sub Corp., a Nevada corporation and a direct, wholly-owned subsidiary of ATAK (“Merger Sub”), and DIH Holding US, Inc., a Nevada corporation (“DIH (Nevada)”) entered into a Business Combination Agreement dated as of February 26, 2023 (as amended, supplemented or otherwise modified from time to time, (the “Business Combination Agreement,” and the transactions contemplated thereby, the “Business Combination”).

Following the receipt of the required approval by ATAK’s and DIH (Nevada)’s shareholders and the fulfillment or waiver of other customary closing conditions, the Business Combination closed on February 7, 2024, and the combined company was organized as a Delaware corporation. In connection with the Closing, ATAK migrated and changed its domestication to become a Delaware corporation and changed its name to “DIH Holding US, Inc.” For further information, see the section entitled “*Corporate History*” below.

DIH is a global solution provider in blending innovative robotic and virtual reality (“VR”) technologies in the rehabilitation market with clinical integration and insights. DIH stands for our vision to “Deliver Inspiration & Health” to improve the functioning of millions of people with disabilities and functional impairments. DIH (Nevada) was built through the acquisitions of global-leading niche technology providers including HOCOMA, a Switzerland-based global leader in robotics for rehabilitation, and MOTEK, a Netherlands-based global leader in sophisticated VR-enabled movement platform powered by real-time integration, DIH is positioning itself as a transformative total smart solutions provider and consolidator in a largely fragmented and manual-labor-driven industry.

DIH offers innovative, robotic-enabled solutions in an augmented and interactive environment. These solutions deliver differentiated outcomes, while also tracking patients’ progress and providing a network of collaboration and encouragement. DIH is dedicated to restoring mobility and enhancing human performance through total solutions that enable transformation of rehabilitation care at our customers. DIH currently has direct sales in the United States, Germany, Switzerland and Netherlands.

Industry and Market Overview

Market Opportunity

The market for robotic devices for rehabilitation and human performance enhancement is rapidly growing. As populations age and the consequent demand for healthcare services increases, we expect there will be a growing need for innovative solutions that can help individuals recover from injuries and optimize their physical abilities. Additionally, there is a growing interest in the use of technology to enhance human performance, whether in sports or in everyday life.

DIH’s target market is composed of three major sub-markets:

- Advanced Research Facilities (“ARFs”): which include advanced human performance labs or rehabilitation/biomedical research centers at universities and academic hospitals);
- Inpatient rehabilitation facilities (“IRFs”) which include free standing rehabilitation hospitals and rehabilitation units in acute care hospitals);
- Outpatient and inpatient rehabilitation facilities (“ORFs”) which include outpatient rehabilitation clinics, skilled nursing or long-term care facilities). We are currently focused on the North American and European markets to accelerate market penetration, while seeking early-stage opportunities in other international markets for future expansion

For the ARF (or Research Market), our products enable thought-provoking and sophisticated simulation and evaluation of human performance in general, and dynamic gait and balance-focused movements research in specific, through our industry-leading interactive VR platform empowered by human body modeling and visualization, with integration to advanced robotics and other smart system to expand imaginative research interests. Most of the top 50 global leading research centers in human performance and rehabilitation have adopted our technologies as the key base of their research exploration. We believe Motek is considered as the premier brand and global leader in the world’s most advanced biomechanical lab for research and clinical treatment on human performance and movement disorders.

For the IRFs (or Hospital Market) our products enable intensive, integral and interactive (“3i”) interventions that significantly improve functional outcomes by utilizing established neural pathways and restoring patterns and agility through brain plasticity or neuro-musculoskeletal interactions; powered by our most advanced rehabilitation robots, and further fueled by data integration and insights from integrated and networked solutions. Most of the global top 500 leading IRFs have adopted our advanced robots as a backbone in their therapeutic treatments to high acuity patients such as TBI, SCI, strokes, and other traumatically injured patients. Our Swiss engineered Hocoma robots are well recognized by the industry and have the largest installed base. We believe there is vast growth potential in this core market segment for us in the next 5-10 years by leveraging our leadership and expanding our market coverage.

For the vast ORFs (or Clinical market), we enable modern specialty rehabilitation care models that differentiate and deliver high value with better and consistent outcomes due to the 3i intervention approach empowered by our technology. By blending technology with innovative care models, such modern specialty ORFs can deliver superior values to patients and their therapists by enabling one therapist to treat multiple patients with better outcomes due to the intensive, interactive, and integral approach enabled by our smart solutions. By leveraging the treatment protocol established by our advanced robots and movements platform, we are re-configuring our solutions through modularization and further acquisitions to exploit this vast and diverse market.

Core Product Overview

DIH offers innovative, robotic-enabled devices in an augmented and interactive environment. These devices focus on restoring different functional impairment issues, while using software thereby tracking patients' progress and providing a network of collaboration and encouragement.

We currently offer 17 robotic rehabilitation and VR-based movement systems within three major product categories through the hospital, clinical and research markets. Our objective is to establish ourselves as a product and technology leader in each of the three categories, that correspond to three key functional impact issues, i.e. 1) upper extremity devices for arm and hand functional improvement; 2) lower extremity devices for gait and balance intervention; and 3) full body integrated intervention for strength and endurance enhancement. Through software networks, we aim not only to maximize the benefits from each of the devices itself, but also to deliver multi-dimensional clinical, economic, process and administrative benefits to therapists, patients and management by connecting and integrating these various devices into cohesive and integrated caring processes and models, enabling transformative change in therapies and business models.

Upper Extremity Product Categories

To address differing clinical and economic needs, while providing consistent therapeutic interventions with similar treatment concepts and protocols, we have developed three different device models, ArmeoPower, ArmeoSpring, and ArmeoSenso. All follow the same modular Armeo Therapy Concept, that covers the "Continuum of Rehabilitation" with one software platform throughout the different stages of rehabilitation; from the early stage where the patient is very weak and needs sophisticated power-assisted dynamic intervention to help rewire the neural pattern in a safe environment which ArmeoPower provides, to self-initiated interactive ArmeoSpring which follows a similar treatment protocol of ArmeoPower for patients who have gained certain muscle power and need to transition from controlled patterns to an open environment. ArmeoSenso is for patients to apply what they learned from those self-initiated but still structurally controlled movement patterns to completely open movement environments, further expanding the patient transfer skills. The economic costs of devices, and the ratio of one therapist for multiple patients also improves dramatically, thus allowing service providers and health systems to gain significant benefits of learning curves, i.e. the learning patient picks up from early acute expensive interventions, which will be increasingly beneficial for later stages, generating a win-win, both economically and clinically.

ArmeoPower is the backbone robot within our Upper Extremity portfolio; it has been specifically designed for arm and hand therapy in an early stage of rehabilitation. It enables patients with even severe motor impairments to perform exercises with a high number of repetitions. It assists the patient's arm on an "as needed" basis to enable the patient to successfully reach the goal of the exercise. The robotic arm assistance can be adapted to the individual's needs and the changing abilities of each patient – from full assistance for patients with very little activity to no assistance at all for more advanced patients. Such adjustable robotic assistance while exercising, enables and motivates patients to actively participate in their training, while providing weight support to enable extensive training. ArmeoPower supports 1D (joint-specific), 2D and 3D movements, with extensive game-emerged APF exercises simulating tasks and activities essential for daily living, while enhancing strength and range of motion. Immediate performance feedback motivates patients and helps to improve their motor abilities. It improves efficiency of the therapy session by reducing the therapist's physical effort and the need for continuous therapeutic guidance. Moreover, it enables therapists to make better use of their clinical know-how and expertise, by focusing on the optimal exercise planning, instead of manually delivering many repetitions.

ArmeoPower precisely records how patients perform during their therapy sessions. Standardized Assessment Tools evaluate a patient's motor functions such as joint range of motion and forces. The results can be used to analyze and document the patient's state and therapy progress. Results can then be shared with the patient and other clinicians. ManovoPower as an add-on module for ArmeoPower enables hand opening and closing exercises.

ArmeoSpring is targeted for less severe patients; it provides self-initiated repetitive arm and hand therapy in an extensive workspace. By providing arm weight support, it encourages the patients to achieve a higher number of arm and hand movements based on specific therapy goals. It also allows simultaneous arm and hand training in an extensive workspace. This enables patients to practice the movements important for their therapy progress. ArmeoSpring also supports 1D (joint-specific), 2D and 3D movements. An extensive library of motivating game-like APF exercises has been designed to train strength and range of motion needed for activities of daily living. Immediate performance feedback motivates patients and helps to improve their motor abilities. The ArmeoSpring enables therapists to deliver higher training efficiency (more hours per day) due to self-directed therapy. Furthermore, self-directed therapy enables patients to reach an even higher therapy intensity through extra training during after-hours and weekends.

Lower Extremity Product Categories

Similar to the Armeo Therapy Concept for arm and hand, we have also developed 3+1 Robotics + VR devices to address the different clinical and economic needs of patients across different stages of the patient journey, while providing consistent therapeutic interventions with similar treatment concepts and protocols. The Erigo Robot is designed for patients right after ICU who have none or very weak muscle power, with the goal to speed up the circulation and initiate early mobilization and prepare patients for intensive therapy, while preventing or reducing secondary further impairment. LokoMat is designed to provide maximum intensive therapy to rewire the broken neuro pathway to restricted functional capabilities through Neuroplasticity effect. Andago is designed to assist patients in walking in a real environment to maximize patient transfer skills after the patient's functional pattern has been rewired by LokoMat. C-Mill is designed to enhance the patient's adaptability, coordination and balancing skills in a challenging and integrative environment.

Erigo is uniquely designed to provide therapy intervention to the most severe patient even at a high acute and critical post-ICU stage. It uniquely combines gradual verticalization, leg mobilization, and intensive sensorimotor stimulation through cyclic leg loading.

The main benefits include:

- Early and safe mobilization even in acute care
- Cardiovascular stabilization
- Improved orthostatic tolerance using the Erigo functional stimulation.
- Helping to reduce patient's length of stay, improving efficiency and outcome

Lokomat provides robot-assisted therapy that enables effective and intensive training to increase the strength of muscles and the range of motion of joints in order to improve walking. The physiological movement of the lower extremities is ensured by the individually adjustable patient interface. Additionally, the hip and knee joint angles can be adjusted during training to the patient's specific needs. During rehabilitation, patients need to be challenged. Therapists can help patients reach their goals by setting the training parameters according to their performance. Lokomat motivates patients to reach their goals with various game-like exercises. This Augmented Performance Feedback, or APF, maximizes the effect of Lokomat training. Lokomat allows therapists to focus on the patient and the actual therapy. It enhances staff efficiency and safety, leading to higher training intensity, more treatments per therapist, and consistent, superior patient care.

Lokomat is available in two models, LokomatNanos and LokomatPro, and has other modules such as for pediatric use available. To date, we have installed over 1,085 Lokomat systems in over 650 facilities worldwide.

Andago is designed to assist patients in walking naturally which consequently triggers continuous physiological afferent input, due to its built-in dynamic support. With its robotics smart control system, it enables patient to walk seamlessly and freely due to its robotic system. Andago bridges the gap between treadmill-based gait training and free overground walking. No dedicated space is needed as it can be used flexibly in different spaces. Its intuitive workflow allows for a quick and easy therapy start and simple integration into clinical routine. The display of key training results and export of data via USB enables training progress documentation for clinical decision-making and for health insurance providers. No infrastructure modification, meaning flexible use from room to room.

C-Mill is a powerful tool that allows for more efficient rehabilitation. Besides objective assessment of balance and gait, the C-Mill provides a safe and comfortable training environment using a treadmill, augmented reality and VR. Using our technology, patients are able to train foot placement with the C-Mill, work through balance and dual-tasks with C-Mill VR or use C-Mill VR+ for early to late rehabilitation with body weight support. It is a complete, advanced gait-lab and training center on a compact space.

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CAREN, “Computer Assisted Rehabilitation Environment”, is the most advanced and sophisticated VR-enabled real time movement platform, that targets all aspects of balance and locomotion with visualization of full body participation empowered by Human Body Modeling. CAREN provides researchers with the tools to efficiently study advanced human movement by collecting objective human performance data in real time and functionally challenging environments. CAREN enables the most versatile human movement research as a result of its dual-belt instrumented treadmill mounted on a 6 degree-of-freedom movable platform, motion capture system, immersive and interactive environments and dedicated real-time and offline software packages; the CAREN is the most advanced system for your human movement research, training, and assessment. We believe CAREN will enable pioneering research in many fields of application, such as: motor control and learning, dual-tasking and feedback, balance assessment and therapy, gait analysis and adaptability, real-time human body modeling, virtual reality and integrated smart systems like robot integration. We believe CAREN is considered as the world’s most advanced biomechanics lab.

GRAIL, “Gait Real-time Analysis Interactive Lab”, the total package solution for gait analysis training and research, employs an instrumented dual-belt treadmill and motion capture system combined with virtual reality and video cameras. GRAIL provides analysis and therapy in challenging conditions to improve gait, while real-time feedback enables analysis and training during the same session.

Manufacturing and Supply Chain

Our manufacturing and supply chain strategy is founded on a commitment to blending Swiss quality mindset with Dutch agility, utilizing lean manufacturing and supply chain practices, leveraging an the Oracle ERP system implemented, ensuring efficient order fulfillment to global markets, and delivering exceptional value and commitment to our customers and patients.

Manufacturing

For manufacturing we are building our devices in two plants. We manufacture the Lokomat, Andago, Erigo, Armeo Power, Armeo Spring and Armeo Senso devices at Hocoma AG in Switzerland) while our product line for hospitals and clinics, C-Mill, is manufactured at Motek Medical B.V. in The Netherlands together with all research products (RYSEN, M-GAIT, GRAIL and CAREN).

For the SafeGait 360 and Active product line that we acquired from Gorbelt, those two products currently are only sold in the United States and are manufactured through a contract manufacturing and development arrangement with Peko. We are in the process of establishing our own manufacturing facility in Leeds, Alabama, and plan to start assembling those products ourselves from June 2023 rather than through Peko.

Supply Chain

For standardized products (for hospitals and clinics) DIH conducts production planning based on the sales budget (yearly) and sales forecast (quarterly). To have the correct alignment between all stakeholders, there is a monthly standard operating procedures (“S&OP”) meeting in place. In this meeting, all relevant stakeholders are involved, such as planning, procurement, production, order fulfillment, sales, finance, operational engineering, service and product management. Additionally, we have the inputs from regulatory and quality as well. In the S&OP the forecast and the production/procurement planning for the quarters are set and the current fulfillment situation is monitored.

Our research products are generally fairly differentiated, which makes it difficult to manage supply chain dynamics far in advance. Many of the parts are completely customized, and inputs are only known during the project phase when the order has been received. Basic parts such as treadmills, drives and motors can be planned and procured accordingly. For these research projects, there is also an S&OP in place limited to the research group.

DIH has approximately 400 direct suppliers who deliver material and assemblies to the Hocoma and Motek facilities. The purchasing volume is roughly \$9 million, with approximately 9,700 purchase orders. We mainly purchase in the European Market, with focus on low-cost countries in Eastern Europe. We have a few suppliers outside of the off-shore, and we are currently working on re-assessing suppliers on-shore.

Facilities

Our executive offices are located at 77 Accord Drive, Suite D-1 Norwell, MA. We do not own any properties, instead we lease properties to meet our needs. Currently, we have two main R&D and Operational campuses that we lease for Hocoma and Motek operation in Switzerland and Netherlands. The Hocoma AG leased property is located at Industriestrasse 2 and 4a in 8604 Volketswil, The Motek Medical B.V. leased property is located at Vleugelboot 14, Houten in The Netherlands.

Beside those two main campuses, we also lease five commercial offices space at the following locations to house the regional Sales & Marketing, Clinical Application & Training, Technical Services, Finance, Logistics, Administration and other local market support functions.

- DIH Technology Inc. leased commercial office for American team at 77 Accord Park Dr., Suite D-1, Norwell, MA 02061, United States
- DIH Technology d.o.o leased commercial office for EMEA Indirect sales team at Letališka 29a, 1000 Ljubljana, Slovenia
- DIH GmbH leased commercial office for the Direct Sales team in DACH region, at Konrad-Adenauer Strasse 13, 50996 Köln, Germany
- DIH Pte Ltd leased commercial office for APAC team at 67 Ubi Avenue 1, #06-17 Starhub Green, Singapore 408942
- DIH SpA leased commercial office for LATAM team at Pdte. Kennedy Lateral 5488, Oficina 1402; Vitacura, Santiago, Chile

Employees

As of April 26, 2024, we employed 242 employees. We acknowledge that our employees are the Company's most valued asset and the driving force behind our success. For this reason, we aspire to be an employer that is known for cultivating a positive and welcoming work environment and one that fosters growth, provides a safe place to work, supports diversity and embraces inclusion. To support these objectives, our human resources programs are designed to develop talent to prepare them for critical roles and leadership positions for the future; reward and support employees through competitive pay, benefit and perquisite programs; enhance the Company's culture through efforts aimed at making the workplace more engaging and inclusive; acquire talent and facilitate internal talent mobility to create a high performing, diverse workforce; engage employees as brand ambassadors of the Company's products; and evolve and invest in technology, tools and resources to enable employees at work.

Diversity, Equity, and Inclusion

We are committed to fostering, cultivating and preserving a culture of diversity, equity and inclusion (DE&I). We recognize that a diverse, extensive talent pool provides the best opportunity to acquire unique perspectives, experiences, ideas, and solutions to drive our business forward. We believe that diverse teams solving complex problems leads to the best business results. We promote diversity by developing policies, programs, and procedures that foster a work environment where differences are respected, and all employees are treated fairly.

Talent Management

We recognize the importance of attracting and retaining the best employees. Our continued success is not only contingent upon seeking out the best possible candidates, but also retaining and developing the talent that lies within the organization. We strive to attract, develop, and retain the best and brightest from all walks of life and backgrounds. Our goal is to offer opportunities for employees to improve their skills to achieve their career goals.

Employee Health and Safety

There have been no OSHA recordable or lost time injuries in the United States and zero injuries at our other global sites.

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Intellectual Property

We have over 20 different trademark families registered, including our most prominent product family names such as Lokomat, Armeo, Andago, and RYSEN. These trademarks are registered in 18 strategically important countries, resulting in a total of 411 registrations. The earliest registration was made in 2004, and the latest in 2020.

<u>Name/Description of Patent</u>	<u>Status</u>	<u>Owned or Licensed</u>	<u>Type of patent protection</u>	<u>Expiration Date</u>	<u>Jurisdictions</u>
US8834169/Method and apparatus for automating arm and grasping movement training for rehabilitation of patients with motor impairment	Issued	Licensed	Utility	24.11.2030	US
US8192331/Device for adjusting the prestress of an elastic means around a predetermined tension or position	Issued	Owned	Utility	10.09.2028	US, DE, FR, UK, IT, CH, CN, RU
US9017271/System for Arm therapy	Issued	Licensed	Utility	10.02.2031	US, DE, FR
US8924010 /Method to Control a Robot Device and Robot Device	Issued	Owned	Utility	06.10.2031	US, DE, FR, NL, CH, UK
US9987511/Gait training apparatus	Issued	Owned	Utility	19.09.2034	US, DE, FR, UK, IT, CH, CN, PL, KR
EP3095430/Gait training apparatus (Div)	Issued	Owned	Utility	09.11.2032	DE, FR, UK, CH
US10780009/Apparatus for locomotion therapy	Issued	Owned	Utility	06.01.2037	US, DE, FR, UK, CH, CN, RU
EP3100707/Apparatus for locomotion therapy (Div)	Issued	Owned	Utility	16.11.2032	DE, FR, UK, IT, CH TR, PL, CN
US9808668/Apparatus for automated walking training	Issued	Owned	Utility	10.08.2034	US, DE, FR, UK, IT, CH, CN, PL, TR, NL, FI, ES
EP3035901/ Hand motion exercising device	Issued	Owned	Utility	14.08.2034	DE, FR, UK, NL, SI, CH, CN
US10349869/Method and system for an assessment of a movement of a limb-related point in a predetermined 3D space	Issued	Owned	Utility	16.02.2036	US, DE, FR, UK, CH, AU, IT, CN
US10500122/Apparatus for gait training	Issued, Pending for KR	Owned	Utility	20.08.2037	US, DE, FR, UK, CH, CN, TR, NL, SE, ES, RU, KR
US10925799/ Suspension device for balancing a weight	Issued	Owned	Utility	27.06.2037	US, AU, CH, DE, FR, UK, IT, NL, PL, CN, KR
US-20230039187-A1/Leg Actuation Apparatus and Gait Rehabilitation Apparatus	Pending	Owned	Utility		US, IN, CN, RU, EP, KR
US-2023-0039187-A1/User Attachment for Gait and Balance Rehabilitation Apparatus	Pending	Owned	Utility		US, CN, EP, KR
DM/091 450/Wheeled walking frame	Issued	Owned	Design	08.06.2041	CH, EM, US, UK
DM/221 948/ArmeoSpring Pro-Design	Issued	Owned	Design	01.07.2047	CH, EM, US, UK

Corporate History

On August 7, 2021, ATAK issued an aggregate of 5,750,000 Class B ordinary shares for an aggregate purchase price of \$25,000, or approximately \$0.0043 per share, to ATAK's Sponsor. We refer to the Class B ordinary shares purchased by our Sponsor as "founder shares." Due to the underwriters partial exercise of the over-allotment option, ATAK's Sponsor forfeited 700,000 founder shares back to ATAK.

On February 9, 2022, ATAK consummated its initial public offering (the "Initial Public Offering" or "IPO") of 20,200,000 of our units (the "Units") which included 200,000 Units sold upon partial exercise of the underwriters' over-allotment option. Each Unit consists of one Class A ordinary share, one redeemable warrant entitling the holder to purchase one-half of one Class A ordinary share at a purchase price of \$11.50 per whole share ("Public Warrants"), and one right to acquire one-tenth (1/10) of one Class A ordinary share ("Rights"). The Units were sold at a public offering price of \$10.00 per Unit, generating gross proceeds of \$202,000,000.

Simultaneously with the consummation of the IPO, ATAK consummated the private placement ("Private Placement") of 6,470,000 warrants (the "Private Warrants"), at a price of \$1.00 per Private Warrant, generating gross proceeds of \$6,470,000. The Private Warrants were sold to ATAK's Sponsor. The Private Warrants are identical to Public Warrants sold in the IPO as part of the Units, except that the Private Warrants are non-redeemable and may be exercised on a cashless basis, in each case so long as they continue to be held by our Sponsor or ATAK's Sponsor's permitted transferees.

Following the closing of the IPO and the sale of the Private Warrants in the Private Placement, an aggregate amount of \$204,020,000 was placed in the trust account established in connection with the IPO.

On March 17, 2022, ATAK announced that the holders of the Units may elect to separately trade the Class A ordinary shares, Public Warrants and Rights included in the Units, commencing on March 21, 2022. Any Units not separated continued to trade on the Nasdaq under the symbol "ATAKU." Any underlying Class A ordinary shares, Public Warrants and Rights that were separated trade on the Nasdaq under the symbols "ATAK," "ATAKW" and "ATAKR," respectively. Following the closing of the Business Combination, as of February 9, 2024, the Company's Class A Ordinary Shares and Public Warrants trade under the symbols "DHAI" and "DHAIW," respectively.

Extension of Combination Period

On February 3, 2023, ATAK held an extraordinary general meeting of shareholders (the "Extraordinary General Meeting"), to approve (i) a special resolution to amend ATAK's amended and restated memorandum and articles of association (the "Articles") giving ATAK the right to extend the date by which it has to consummate a business combination (the "Combination Period") six (6) times for an additional one (1) month each time, from February 9, 2023 to August 9, 2023 (the "Extension Amendment") and (ii) the proposal to approve the Trust Amendment (as defined below). All proposals at the Extraordinary General Meeting were approved by the shareholders of ATAK.

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On February 6, 2023, ATAK and Trustee entered into Amendment No. 1 to the Investment Management Trust Agreement, to allow ATAK to extend the Combination Period six (6) times for an additional one (1) month each time from February 9, 2023 to August 9, 2023 by depositing into the Trust Account for each one-month extension the lesser of: (x) \$135,000 or (y) \$0.045 per share multiplied by the number of public shares then outstanding (the “Trust Amendment”). A copy of the Trust Amendment was attached to the Annual Report for the fiscal year ended December 31, 2022 as Exhibit 10.1 and incorporated herein by reference. In addition, on February 6, 2023, ATAK adopted the Extension Amendment, amending ATAK’s Articles.

In connection with the vote to approve the Extension Amendment, the holders of 14,529,877 Class A ordinary shares elected to redeem their shares for cash at a redemption price of approximately \$10.2769 per share, for an aggregate redemption amount of approximately \$149.3 million, leaving approximately \$58.3 million in the trust account.

On February 8, 2023, ATAK issued an unsecured promissory note (the “Extension Note”) in the amount of \$135,000 to the Sponsor, in exchange for the Sponsor depositing such amounts into ATAK’s trust account (the “Initial Extension Payment”) in order to extend the Combination Period by one (1) month from February 9, 2023 to March 9, 2023. The Extension Note did not bear interest, and matured (subject to the waiver against trust provisions) on August 31, 2023. In connection with the issuance of the Extension Note, certain existing investors in the Sponsor received convertible notes issued by the Sponsor, whereby, at the election of the noteholders and only if ATAK consummates the initial business combination, a noteholder may convert the principal outstanding under the respective note into Class A ordinary shares of ATAK at a price of \$10.00 per share. In addition, the Company issued an unsecured promissory note (the “Working Capital Note”) in the amount of \$90,000 to the Sponsor, in exchange for the Sponsor depositing such amounts in ATAK’s working capital account, in order to provide ATAK with additional working capital. The Working Capital Note did not bear interest, and matured (subject to the waiver against trust provisions) two (2) days following the date on which ATAK’s initial business combination was consummated. The Extension Note and the Working Capital Note were issued pursuant to an exemption from registration contained in Section 4(a)(2) of the Securities Act.

On March 3, 2023, the Company issued an unsecured promissory note to the Sponsor, with a principal amount equal to \$810,000 (the “Second Extension Note” and, together with the Extension Note, the “Extension Notes”). The Second Extension Note bears no interest and is repayable in full (subject to amendment or waiver) upon the earlier of (a) the date of the consummation of the Company’s initial business combination, or (b) the date of the Company’s liquidation. Advances under the Second Extension Note are for the purpose of making payments to extend the Combination Period (“Extension Payments”) and repaying the Sponsor or any other person with respect to funds loaned to the Company for the purpose of paying Extension Payments, including the Initial Extension Payment. On March 7, 2023, pursuant to the Second Extension Note, the Company delivered to the Sponsor a written request to draw down \$135,000 for the second month of the Extension. Upon this written request, the Sponsor deposited \$135,000 to the Company’s Trust Account on March 8, 2023 in order to extend the Combination Period by one (1) month from March 9, 2023 to April 9, 2023. The Second Extension Note was issued pursuant to an exemption from registration contained in Section 4(a)(2) of the Securities Act.

On April 6, 2023, pursuant to the Second Extension Note, the Company delivered to the Sponsor a written request to draw down \$135,000 for the third month of the Extension. Upon this written request, the Sponsor deposited \$135,000 to the Company’s Trust Account on April 6, 2023 in order to extend the Combination Period by one (1) month from April 9, 2023 to May 9, 2023. In addition, the Company issued an unsecured promissory note (the “Second Working Capital Note” and, together with the Working Capital Note, the “Working Capital Notes”) in the amount of \$100,000 to the Sponsor, in exchange for the Sponsor depositing such amounts in the Company’s working capital account, in order to provide the Company with additional working capital. The Second Working Capital Note does not bear interest, and matures (subject to the waiver against trust provisions) upon the earlier of (i) two (2) days following the date on which the Company’s initial business combination is consummated and (ii) the date of the liquidation of the Company. The Second Working Capital Note was issued pursuant to an exemption from registration contained in Section 4(a)(2) of the Securities Act.

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On May 2, 2023, the Company issued an unsecured promissory note (the “Third Working Capital Note and, together with the First Working Capital Note and Second Working Capital Note, the “Working Capital Notes) in the amount of \$100,000. The Third Working Capital Note does not bear interest, and matures (subject to the waiver against trust provisions) upon the earlier of (i) two (2) days following the date on which the Company’s initial business combination is consummated and (ii) the date of the liquidation of the Company. The Second Working Capital Note was issued pursuant to an exemption from registration contained in Section 4(a)(2) of the Securities Act. Additionally, on May 9, 2023, pursuant to the Second Extension Note, the Company delivered to the Sponsor a written request to draw down \$135,000 for the fourth month of the Extension. Upon this written request, the Sponsor deposited \$135,000 to the Company’s Trust Account on May 5, 2023 in order to extend the Combination Period by one (1) month From May 9, 2023 to June 9, 2023.

On June 2, 2023, pursuant to the Second Extension Note, the Company delivered to the Sponsor a written request to draw down \$135,000 for the fifth month of the Extension. Upon this written request, the Sponsor deposited \$135,000 to the Company’s Trust Account on June 2, 2023 in order to extend the Combination Period by one (1) month From June 9, 2023 to July 9, 2023. In addition, the Company issued an unsecured promissory note (the “Fourth Working Capital Note” and, together with the First Working Capital Note, the Second Working Capital Note and the Third Working Capital Note, the “Working Capital Notes”) in the amount of \$20,000 to the Sponsor, in exchange for the Sponsor depositing such amounts in the Company’s working capital account, in order to provide the Company with additional working capital. The Fourth Working Capital Note does not bear interest, and matures (subject to the waiver against trust provisions) upon the earlier of (i) two (2) days following the date on which the Company’s initial business combination is consummated and (ii) the date of the liquidation of the Company. The Second Working Capital Note was issued pursuant to an exemption from registration contained in Section 4(a)(2) of the Securities Act.

On July 7, 2023, the Company issued an unsecured promissory note (the “Fifth Working Capital Note and, together with the First Working Capital Note, Second Working Capital Note, Third Working Capital Note, and Fourth Working Capital Note, the “Working Capital Notes) in the amount of \$100,000. The Fifth Working Capital Note does not bear interest, and matures (subject to the waiver against trust provisions) upon the earlier of (i) two (2) days following the date on which the Company’s initial business combination is consummated and (ii) the date of the liquidation of the Company. The Fifth Working Capital Note was issued pursuant to an exemption from registration contained in Section 4(a)(2) of the Securities Act. Additionally, on July 5, 2023, pursuant to the Second Extension Note, the Company delivered to the Sponsor a written request to draw down \$135,000 for the fifth month of the Extension. Upon this written request, the Sponsor deposited \$135,000 to the Company’s Trust Account on July 5, 2023 in order to extend the Combination Period by one (1) month From July 9, 2023 to August 9, 2023.

On July 27, 2023, the Company held an extraordinary general meeting of shareholders (the “July Extraordinary General Meeting”), to, among other things, approve (i) a special resolution to amend the amended and restated articles of association of the Company (the “Articles”) giving the Company the right to further extend the Business Combination Period six (6) times for an additional one (1) month each time, from August 9, 2023 to February 7, 2024 (the “Second Extension Amendment”) and (ii) the proposal to approve the Second Trust Amendment (as defined below). All proposals at the July Extraordinary General Meeting were approved by the shareholders of the Company.

As such, the Company and Transfer Agent entered into Amendment No. 2 to the Investment Management Trust Agreement, to allow ATAK to extend the Business Combination Period six (6) times for an additional one (1) month each time from August 9, 2023 to February 9, 2024 by depositing into the Trust Account for each one-month extension the lesser of: (x) \$135,000 or (y) \$0.045 per share multiplied by the number of public shares then outstanding (the “Second Trust Amendment”). In addition, on July 27, 2023, the Company adopted the Second Extension Amendment, amending the Company’s Articles.

On July 31, 2023, the Company issued an unsecured promissory note to the Sponsor, with a principal amount equal to \$810,000 (the “Third Extension Note” and, together with the Second Extension Note and Extension Note, the “Extension Notes”). The Third Extension Note bears no interest and is repayable in full (subject to amendment or waiver) upon the earlier of (a) the date of the consummation of the Company’s initial business combination, or (b) the date of the Company’s liquidation. Advances under the Third Extension Note are for the purpose of making payments to extend the Combination Period (“Extension Payments”) and repaying the Sponsor or any other person with respect to funds loaned to the Company for the purpose of paying Extension Payments, including the First and Second Extension Payments. On July 31, 2023, pursuant to the Third Extension Note, the Company delivered to the Sponsor a written request to draw down \$135,000 for the first month of the Extension. Upon this written request, the Sponsor deposited \$135,000 to the Company’s Trust Account on July 31, 2023 in order to extend the Combination Period by one (1) month from August 9, 2023 to September 9, 2023. The Third Extension Note was issued pursuant to an exemption from registration contained in Section 4(a)(2) of the Securities Act.

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On September 1, 2023, pursuant to the Third Extension Note, the Company delivered to the Sponsor a written request to draw down \$135,000 for the second month of the Extension. Upon this written request, the Sponsor deposited \$135,000 to the Company's Trust Account on September 1, 2023 in order to extend the Combination Period by one (1) month From September 9, 2023 to October 9, 2023. In addition, the Company issued an unsecured promissory note (the "Sixth Working Capital Note" and, together with the First Working Capital Note, the Second Working Capital Note, the Third Working Capital Note, the Fourth Working Capital Note, and the Fifth Working Capital Note, the "Working Capital Notes") in the amount of \$50,000 to the Sponsor, in exchange for the Sponsor depositing such amounts in the Company's working capital account, in order to provide the Company with additional working capital. The Sixth Working Capital Note does not bear interest, and matures (subject to the waiver against trust provisions) upon the earlier of (i) two (2) days following the date on which the Company's initial business combination is consummated and (ii) the date of the liquidation of the Company. The Sixth Working Capital Note was issued pursuant to an exemption from registration contained in Section 4(a)(2) of the Securities Act.

On October 2, 2023, pursuant to the Third Extension Note, the Company delivered to the Sponsor a written request to draw down \$135,000 for the third month of the Extension. Upon this written request, the Sponsor deposited \$135,000 to the Company's Trust Account on October 2, 2023 in order to extend the Combination Period by one (1) month From October 9, 2023 to November 9, 2023. In addition, the Company issued an unsecured promissory note (the "Seventh Working Capital Note" and, together with the First Working Capital Note, the Second Working Capital Note, the Third Working Capital Note, the Fourth Working Capital Note, the Fifth Working Capital Note, and the Sixth Working Capital Note, the "Working Capital Notes") in the amount of \$75,000 to the Sponsor, in exchange for the Sponsor depositing such amounts in the Company's working capital account, in order to provide the Company with additional working capital. The Seventh Working Capital Note does not bear interest, and matures (subject to the waiver against trust provisions) upon the earlier of (i) two (2) days following the date on which the Company's initial business combination is consummated and (ii) the date of the liquidation of the Company. The Seventh Working Capital Note was issued pursuant to an exemption from registration contained in Section 4(a)(2) of the Securities Act.

On November 3, 2023, pursuant to the Third Extension Note, the Company delivered to the Sponsor a written request to draw down \$135,000 for the fourth month of the Extension. Upon this written request, the Sponsor deposited \$135,000 to the Company's Trust Account on November 3, 2023 in order to extend the Combination Period by one (1) month From November 9, 2023 to December 9, 2023. In addition, on November 17, 2023, the Company issued an unsecured promissory note (the "Eighth Working Capital Note" and, together with the First Working Capital Note, the Second Working Capital Note, the Third Working Capital Note, the Fourth Working Capital Note, the Fifth Working Capital Note, the Sixth Working Capital Note, and the Seventh Working Capital Note, the "Working Capital Notes") in the amount of \$50,000 to the Sponsor, in exchange for the Sponsor depositing such amounts in the Company's working capital account, in order to provide the Company with additional working capital. The Eighth Working Capital Note does not bear interest, and matures (subject to the waiver against trust provisions) upon the earlier of (i) two (2) days following the date on which the Company's initial business combination is consummated and (ii) the date of the liquidation of the Company. The Eighth Working Capital Note was issued pursuant to an exemption from registration contained in Section 4(a)(2) of the Securities Act.

On November 21, 2023, the Company issued an unsecured promissory note (the "Ninth Working Capital Note" and, together with the First Working Capital Note, the Second Working Capital Note, the Third Working Capital Note, the Fourth Working Capital Note, the Fifth Working Capital Note, the Sixth Working Capital Note, the Seventh Working Capital Note, and the Eighth Working Capital Note, the "Working Capital Notes") in the amount of \$25,000 to the Sponsor, in exchange for the Sponsor depositing such amounts in the Company's working capital account, in order to provide the Company with additional working capital. The Ninth Working Capital Note does not bear interest, and matures (subject to the waiver against trust provisions) upon the earlier of (i) two (2) days following the date on which the Company's initial business combination is consummated and (ii) the date of the liquidation of the Company. The Ninth Working Capital Note was issued pursuant to an exemption from registration contained in Section 4(a)(2) of the Securities Act.

On December 5, 2023, pursuant to the Third Extension Note, the Company delivered to the Sponsor a written request to draw down \$135,000 for the fifth month of the Extension. Upon this written request, the Sponsor deposited \$135,000 to the Company's Trust Account on December 5, 2023 in order to extend the Combination Period by one (1) month From December 9, 2023 to January 9, 2024. In addition, on December 8, 2023, the Company issued an unsecured promissory note (the "Tenth Working Capital Note" and, together with the First Working Capital Note, the Second Working Capital Note, the Third Working Capital Note, the Fourth Working Capital Note, the Fifth Working Capital Note, the Sixth Working Capital Note, the Seventh Working Capital Note, the Eighth Working Capital Note, and the Ninth Working Capital Note, the "Working Capital Notes") in the amount of \$36,500 to the Sponsor, in exchange for the Sponsor depositing such amounts in the Company's working capital account, in order to provide the Company with additional working capital. The Tenth Working Capital Note does not bear interest, and matures (subject to the waiver against trust provisions) upon the earlier of (i) two (2) days following the date on which the Company's initial business combination is consummated and (ii) the date of the liquidation of the Company. The Tenth Working Capital Note was issued pursuant to an exemption from registration contained in Section 4(a)(2) of the Securities Act.

On January 4, 2024, pursuant to the Third Extension Note, the Company delivered to the Sponsor a written request to draw down \$135,000 for the sixth month of the Extension. Upon this written request, the Sponsor deposited \$135,000 to the Company's Trust Account on January 4, 2024 in order to extend the Combination Period by one (1) month From January 9, 2024 to February 7, 2024.

Business Combination

Business Combination with DIH Technology, Ltd.

Letter of Intent

On or about December 11, 2022, ATAK entered into a non-binding letter of intent proposing to affect a business combination transaction with DIH Technology, Ltd., a Cayman Islands exempted company (“DIH”). DIH is a leading global robotics and virtual reality technology provider in the rehabilitation and human performance industry.

Business Combination Agreement

On February 26, 2023 (the “Signing Date”), ATAK, entered into a Business Combination Agreement with Aurora Technology Merger Sub Corp., a Nevada corporation and a direct, wholly-owned subsidiary of ATAK (“Merger Sub”), and DIH.

Following the receipt of the required approval by the Company’s and DIH’s shareholders and the fulfillment of other customary closing conditions, the Business Combination closed on February 7, 2024, and the combined company was organized as a Delaware corporation, in which substantially all of the assets and the business of the combined company are held by DIH. The combined company’s business operates through DIH and its subsidiaries. In connection with the Closing, ATAK changed its name to “DIH Holding US, Inc.” (such company after the Closing, “New DIH”).

The Domestication

On February 6, 2024, ATAK, with the required shareholder approvals, deregistered as a Cayman Islands exempted company and transferred by way of continuation to and domesticated as a corporation incorporated under the laws of the State of Delaware (the “Domestication”).

In connection with the Domestication: (i) each of the then issued and outstanding Class B ordinary shares of the Company, par value \$0.0001 per share (each a “Cayman Class B Share”) converted automatically, on a one-for-one basis, into a share of Class B common stock, par value \$0.0001 per share, of ATAK (after the Domestication) (the “New DIH Class B Common Stock”); (ii) each of the then issued and outstanding Class A ordinary shares of ATAK, par value \$0.0001 per share (each a “Cayman Class A Share”) converted automatically, on a one-for-one basis, into a share of Class A common stock, par value \$0.0001 per share, of ATAK (after the Domestication) (the “New DIH Class A Common Stock”); (iii) each of the then issued and outstanding warrants, each two warrants representing the right to purchase one Cayman Class A Share converted automatically into warrants to acquire shares of New DIH Class A Common Stock pursuant to the related warrant agreement (each warrant, a “New DIH Warrant”); (iv) each of the then issued and outstanding rights, each ten rights representing the right to receive one Class A Ordinary Share converted automatically into rights to receive shares of New DIH Class A Common Stock (each right, a “New DIH Right”); and (v) each of the then issued and outstanding units of the Company were canceled and each holder was entitled to one share of New DIH Class A Common Stock, one New DIH Warrant and one New DIH Right.

Immediately prior to the Business Combination, each of the then issued and outstanding shares of New DIH Class B Common Stock were converted automatically, on a one-for-one basis, into a share of New DIH Class A Common Stock (the “Sponsor Share Conversion”).

Recapitalization

At the Effective Time (as defined in the Business Combination Agreement): (i) each share of DIH common stock issued and outstanding prior to the Effective Time was canceled and converted into the right to receive a number of shares of New DIH Class A Common Stock equal to the Exchange Ratio (as defined in the Business Combination Agreement) and (ii) all shares of DIH common stock held in treasury were canceled.

Consideration

Pursuant to the Business Combination Agreement, the Company acquired all of the outstanding equity interests of DIH, and stockholders of DIH received \$250,000,000 in aggregate consideration (the “Aggregate Base Consideration”) in the form of newly-issued shares of New DIH Class A Common Stock, calculated based on a price of \$10.00 per share.

In addition to the Aggregate Base Consideration, DIH stockholders may be entitled to receive up to 6,000,000 additional shares of New DIH Class A Common Stock (the “Earnout Shares”), as additional consideration upon satisfaction of the following milestones, during the period beginning on the Closing Date and expiring on the fifth anniversary of the Closing Date (the “Earnout Period”): (i) 1,000,000 Earnout Shares if the VWAP (as defined in the Business Combination Agreement) of New DIH Class A Common Stock is equal to or exceeds \$12.00 for any 20 Trading Days (as defined in the Business Combination Agreement) during the Earnout Period; (ii) 1,333,333 Earnout Shares if the VWAP of New DIH Class A Common Stock is equal to or exceeds \$13.50 for any 20 Trading Days during the Earnout Period; (iii) 1,666,667 Earnout Shares if the VWAP of New DIH Class A Common Stock is equal to or exceeds \$15.00 for any 20 Trading Days during the Earnout Period; and (v) 2,000,000 Earnout Shares if the VWAP of New DIH Class A Common Stock is equal to or exceeds \$16.50 for any 20 Trading Days during the Earnout Period.

Amended and Restated Registration Rights Agreement and Lock-Up Agreement

At the Closing, New DIH, the Sponsor, certain investors and other holders of DIH capital stock (as defined in this section, the “DIH Holders” and together with the Sponsor and the investors, the “Holders”) entered into an amended and restated registration rights agreement (the “Amended and Restated Registration Rights Agreement”). Pursuant to the terms of the Amended and Restated Registration Rights Agreement, New DIH will be obligated to file a registration statement to register the resale of certain securities of New DIH held by the Holders. The Amended and Restated Registration Rights Agreement also provides the Holders with certain “demand” and “piggy-back” registration rights, subject to certain requirements and customary conditions. In addition, the Amended and Restated Registration Rights Agreement provides that each Holder shall not transfer any securities subject to the Amended and Restated Registration Rights Agreement until one year from the date of the Amended and Restated Registration Rights Agreement, subject to certain customary exceptions, or the date on which ATAK completes a liquidation, merger, stock exchange, reorganization or other similar transaction that results in all of the ATAK stockholders having the right to exchange their shares of common stock for cash, securities or other property.

An aggregate of 22,205,414 shares of Class A Common Stock is subject to the Amended and Restated Registration Rights Agreement consisting of 8,120,173 shares (including 3,235,000 shares underlying the ATAK Private Placement Warrants) held by the Sponsor and 14,085,241 shares held by DIH Holders.

Where You Can Find Additional Information

The Company is subject to the reporting requirements under the Exchange Act. The Company files with, or furnishes to, the SEC quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports and will furnish its proxy statement. These filings are available free of charge on the Company’s website, www.dih.com, shortly after they are filed with, or furnished to, the SEC. The SEC maintains an Internet website, www.sec.gov, which contains reports and information statements and other information regarding issuers.

ITEM 1A. RISK FACTORS

Risks Related to Our Business and Our Industry

We are substantially dependent on the commercial success of our current key product lines

Our success is substantially dependent on our ability to continue to generate and grow revenue from the sales of our current key product lines, LokoMat, Aemeo, C-Mill and CAREN/Grail, which represent more than 90% of our revenue, which will depend on many factors including, but not limited to, our ability to:

- develop and execute our sales and marketing strategies and maintain and manage the necessary sales, marketing and other capabilities and infrastructure that are required to successfully commercialize our products;

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- achieve, maintain and grow market acceptance of, and demand for our current products;
- establish or demonstrate in the medical community the safety and efficacy of our rehabilitation products and their potential advantages over in comparison to, existing competing products and devices and products currently in development;
- offer our products at competitive prices as compared to alternative options, and our ability to achieve a suitable profit margin from the sales of our products;
- comply with applicable legal and regulatory requirements, including medical device compliance;
- maintain our distribution and supply arrangements with third parties; and
- enforce our intellectual property rights related to current and future products, if any.

If we do not achieve one or more of these factors, many of which are beyond our control, in a timely manner or at all, we may not be able to continue to generate and grow revenue from the sales of our current products, which may materially impact the success of our business.

We rely on sales from certain key products and markets, any disruptions to those products or markets due to change of market environment, regulatory requirements, or personal and sales practices, could generate adverse effects to our sales and business performance.

One of our key product lines, LokoMat accounts for more than 45% of our revenue; our other key products, Aemeo, C-Mill and CAREN/Grail collectively account for 55% of our revenues. In addition, more than 85% of our revenue is concentrated in the Americas and Europe, Middle East and Africa (“EMEA”), with remaining in Asia Pacific (“APAC”). Any disruptions to those key products and/or markets due to changes in market conditions, regulatory requirements, or personal and sales practices, could generate adverse effects to our sales and business performance.

Global, regional, and local economic weakness and uncertainty could adversely affect our demand for our products and services and our business and financial performance.

Our business and financial performance depends on worldwide economic conditions and the demand for our products and services in the markets in which we compete. Ongoing economic weakness, including an economic slowdown or recession, uncertainty in markets throughout the world and other adverse economic conditions, including inflation, changes in monetary policy and increased interest rates, may result in decreased demand for our products and services and increased expenses and difficulty in managing inventory levels and accurately forecasting revenue, gross margin, cash flows and expenses.

Prolonged or more severe economic weakness and uncertainty could also cause our expenses to vary materially from our expectations. Any financial turmoil affecting the banking system and financial markets or any significant financial services institution failures could negatively impact our treasury operations, as the financial condition of such parties may deteriorate rapidly and without notice.

The COVID-19 pandemic has adversely affected and may continue to materially and adversely impact our business, our operations, and our financial results.

The impact of the COVID-19 pandemic resulted in significant disruptions to the global economy and supply chains, as well as our business. A significant number of our global suppliers, vendors, distributors, and manufacturing facilities are located in regions that were affected by the pandemic. Those operations were materially adversely affected by restrictive government and private enterprise measures implemented in response to the pandemic, which in turn, negatively impacted our operations. Shut-downs and other limitations imposed in response to the COVID-19 pandemic adversely affected our ability to develop market, close new orders, and ship and install products to recognize revenue, and train our customers effective to ensure value realization.

While most of the COVID-19 related restrictions have been lifted, new and occasionally more virulent variants of the virus that causes COVID-19, have sometimes emerged and there can be no assurance that any such outbreaks will not result in future partial or total shutdowns, which would adversely affect our business. In these circumstances, there may be developments outside our control requiring us to adjust our operating plan. As such, the extent to which COVID-19 could continue to impact our business and operating results will depend on future developments that are highly uncertain and cannot be accurately predicted.

War, geopolitical factors, and foreign exchange fluctuations could adverse effect the performance of our business.

Due to our significant presence in Europe, and emerging needs from South East Asia and the Middle East, war or geopolitical stability in those regions could adversely affect demand and supply chain disruptions from those regions; and Foreign exchange, especially the Euro's depreciation versus the US dollar would adversely depress our US dollar-denominated revenue and profitability. We believe that an increasing percentage of our future revenue will come from international sales as we continue to expand our operations and develop opportunities in additional territories. International sales are subject to a number of additional risks, including:

- difficulties in staffing and managing our foreign operations;
- difficulties in penetrating markets in which our competitors' products are more established;
- reduced protection for intellectual property rights in some countries;
- export restrictions, trade regulations and foreign tax laws;
- fluctuating foreign currency exchange rates;
- obtaining and maintaining foreign certification and compliance with other regulatory requirements;
- customs clearance and shipping delays; and
- political and economic instability.

If one or more of these risks were realized, we could be required to dedicate significant resources to remedy the situation, and if we are unsuccessful at finding a solution, our revenue may decline.

We may not have sufficient funds to meet certain future operating needs or capital requirements, which could impair our efforts to develop and commercialize existing and new products, and as a result, we may in the future consider one or more capital-raising transactions, including future equity or debt financings, strategic transactions, or borrowings which may also dilute our shareholders.

We may need to raise additional capital to fund our growth, working capital and strategic expansion. Given the turbulent global environment and volatile capital market, we may not be able to secure such financing timely manner and with favorable terms. Any such capital raise involving the sale of equity securities would result in dilution to our shareholders. If we cannot raise the required funds, or cannot raise them on terms acceptable to us or investors, we may be forced to curtail substantially our current operations and scale down our growth plan.

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The market for robotics and VR-enabled smart rehabilitation systems, are in the early growth stage, and important assumptions about the potential market for our current and future products may not be realized.

Although the market for robotics and VR-enabled “smart” rehabilitation systems has enjoyed increasing recognition from our customers, to date, the market is small. Significant market development efforts are still required to cross in order for us to enjoy accelerating growth. As such, it is difficult to predict the future size and rate of growth of the market; and we cannot assure you that our estimate regarding our current products is achievable or that our estimate regarding future products profile will remain the same. If our estimates of our current or future addressable market are incorrect, our business may not develop as we expect, and the price of our securities may suffer.

Currently, most of our products are purchased by customers as capital equipment, funded by our customers’ own capital budgets, government grants, or charitable organizations’ donations. There is a risk that such grants or donations may not be secured timely or at all or capital budgets reduced; which could adversely impact our sales forecasts.

While we have seen significant interest in our products to support our growth plan, due to limited sales and clinician application personnel that are instrumental to our efforts to convert such interest into sales orders, at any quarter we can only focus on a fraction of the total sales opportunities. Accordingly, if there are delays or disruptions to potential customers’ budgeting processes due to customers’ internal capital budget limitations, delays in funding of government grants or charitable organizations’ donations, our sales opportunities may not be realized.

In the future, we may develop operational leasing or vendor-enabled financing to expand our growth beyond capital budget limitations, as part of our efforts to enrich and expanding our business models. There can be no assurance that we will have adequate working capital to do so after the Business Combination.

If we are unable to train customers on the safe and appropriate use of our products, we may be unable to achieve our expected growth.

It is critical to the success of our commercialization efforts to train a sufficient number of customers and provide them with adequate instruction in the safe and appropriate use of our products. This training process may take longer than expected and may therefore affect our ability to increase sales. Following completion of training, we rely on the trained customers to advocate the benefits of our products in the marketplace. Convincing our customers to dedicate the time and energy necessary for adequate training is challenging, and we cannot assure you that we will be successful in these efforts. If we cannot attract potential new customers to our education and training programs, we may be unable to achieve our expected growth. If our customers are not properly trained, they may misuse or ineffectively use our products. This may also result in, among other things, unsatisfactory patient outcomes, patient injury, negative publicity or lawsuits against us, any of which could have an adverse effect on our business and reputation.

If customers misuse our products, we may become subject to prohibitions on the sale or marketing of our products, significant fines, penalties, sanctions, or product liability claims, and our image and reputation within the industry and marketplace could be harmed.

Our customers may also misuse our devices, or our future products or use improper techniques, potentially leading to adverse results, side effects or injury, which may lead to product liability claims. If our current or future products are misused or used with improper techniques or are determined to cause or contribute to consumer harm, we may become subject to costly litigation by our customers or their patients. Product liability claims could divert management’s attention from our core business, be expensive to defend, result in sizable damage awards against us that may not be covered by insurance and subject us to negative publicity resulting in reduced sales of our products. Furthermore, the use of our current or future products for indications other than those cleared by the FDA may not effectively treat such conditions, which could harm our reputation in the marketplace among physicians and consumers. Any of these events could harm our business and results of operations and cause our stock price to decline.

If we are unable to educate clinicians on the safe, effective and appropriate use of our products, we may experience increased claims of product liability and may be unable to achieve our expected growth.

Certain of our products require the use of specialized techniques and/or product-specific knowledge. It is critical to the success of our business to broadly educate clinicians who use or desire to use our products in order to provide them with adequate instructions in the appropriate use of our products. It is also important that we educate our other customers and patients on the risks associated with our products. Failure to provide adequate training and education could result in, among other things, unsatisfactory patient outcomes, patient injury, negative publicity or increased product liability claims or lawsuits against us, any of which could have a material and adverse effect on our business and reputation. We make extensive educational resources available to clinicians and our other customers in an effort to ensure that they have access to current treatment methodologies, are aware of the advantages and risks of our products, and are educated regarding the safe and appropriate use of our products. However, there can be no assurance that these resources will successfully prevent all negative events and if we fail to educate clinicians, our other customers and patients, they may make decisions or form conclusions regarding our products without full knowledge of the risks and benefits or may view our products negatively. In addition, claims against us may occur even if such claims are without merit and/or no product defect is present, due to, for example, improper surgical techniques, inappropriate use of our products, or other lack of awareness regarding the safe and effective use of our products. Any of these events could harm our business and results of operations.

As an emerging leader in a fragmented industry, we need time and efforts to develop talent, expertise, competencies, process and infrastructure; if we lose key employees or fail to replicate and leverage our sales, marketing, and training infrastructure, our growth would suffer adverse effects.

A key element of our long-term business strategy is the continued leveraging of our sales, marketing, clinical training and services infrastructure, through the training, retention, and motivation of skilled sales, marketing, clinical applications training, and services representatives with industry experience and knowledge. In order to continue growing our business efficiently, we need coordinate the development of our sales, marketing, clinical training and services infrastructure with the timing of market expansion, new product launch, regulatory approvals, limited resources consideration and other factors in various geographies. Managing and maintaining our sales and marketing infrastructure is expensive and time consuming, and an inability to leverage such an organization effectively, or in coordination with regulatory or other developments, could inhibit potential sales and the penetration and adoption of our products into both existing and new markets.

Newly hired sales representatives require training and take time to achieve full productivity. If we fail to train new hires adequately, or if we experience high turnover in our sales force in the future, we cannot be certain that new hires will become as productive as may be necessary to maintain or increase our sales. In addition, if we are not able to retain existing and recruit new trainers to our clinical staff, we may not be able to successfully train customers on the use of our sophisticated products, which could inhibit new sales and harm our reputation. If we are unable to expand our sales, marketing, and training capabilities, we may not be able to effectively commercialize our products, or enhance the strength of our brand, which could have a material adverse effect on our operating results.

The health benefits of our products have not yet been substantiated by long-term large randomized clinical data, which could limit sales of such products.

Although there have been numerous published research studies supporting the benefits of our products and users of our products have reported encouraging health benefits of our products, currently there is no large scale, randomized clinical trial establishing the long-term health benefits of our or competitors' products due to the relatively small size of the applicable user population, and the fragmented application practice that we are still in the early stage to change through consolidation and integration. While many of the top rehabilitation hospitals have purchased some of our products, many potential conservative customers and healthcare providers may be slower to adopt or recommend our products.

Our success depends largely upon consumer satisfaction with the effectiveness of our products.

In order to generate repeat and referral business, consumers must be satisfied with the effectiveness of our products. If consumers are not satisfied with the benefits of our products, our reputation and future sales could suffer.

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For certain of our products, we rely on sole source third parties to manufacture and supply certain raw materials. If these manufacturers are unable to supply these raw materials or products in a timely manner, or at all, we may be unable to meet customer demand, which would have a material adverse effect on our business.

We currently depend on sole source, third party manufacturers, to manufacture and supply certain raw materials and products. We cannot assure you that these manufacturers will be able to provide these raw materials, and products in quantities that are sufficient to meet demand in a timely manner, or at all, which could result in decreased revenues and loss of market share. There may be delays in the manufacturing process over which we have no control, including shortages of raw materials, labor disputes, backlogs and failure to meet FDA standards. We are aware that certain of our sole source manufacturers also rely on sole source suppliers with respect to materials used in our products. We rely on our third-party manufacturers to maintain their manufacturing facilities in compliance with applicable international, FDA and other federal, state and/or local regulations including health, safety and environmental standards. If they fail to maintain compliance with critical regulations, they could be ordered to suspend, curtail or cease operations, which would have a material adverse impact on our business. Increases in the prices we pay our manufacturers, interruptions in our supply of raw materials or products, or lapses in quality, such as failures to meet our specifications and other regulatory requirements, could materially adversely affect our business. Any manufacturing defect or error discovered after our products have been produced and distributed could result in significant consequences, including costly recall procedures and damage to our reputation. Our ability to replace an existing manufacturer may be difficult, because the number of potential manufacturers is limited. If we do undertake to negotiate terms of supply with another manufacturer or other manufacturers, our relationships with our existing manufacturers could be harmed. Any interruption in the supply of raw materials or products, or the inability to obtain these raw materials or products from alternate sources in a timely manner, could impair our ability to meet the demands of our customers, which would have a material adverse effect on our business.

We utilize independent distributors who are free to market other products that compete with our products for sales.

While we have proportionally more influence on the independent distributors we are using to cover majority of the global markets due to our limited direct sales force, considering the fact that the rehabilitation technology market is very fragmented, we generally do not sign mutual exclusive distribution agreement with distributors. Consequently, our distribution partners could indirectly compete against our interests by promoting alternative technologies to prospective customers in lieu of ours. We believe that as we assemble more and integrated offering through our consolidation and integration strategy, the influence and motivation we may impose on our distribution partners to dedicate on selling and promoting our products and solution shall increase and such kind of competition risk would be better addressed.

To ensure credibility and enforce the effective genesis of our distributor management, we may terminate a distributor who has not demonstrated its best efforts and/or interests in selling and promoting our products and solutions, albeit such termination may adversely affect our sales performance in the market covered by such distributor.

Due to the nature of market fragmentation, our product and solution offerings may not always deliver the targeted sales amount, or may take longer than expected to establish itself in customers minds, and accepted by mainstream.

The fragmented market reflects both opportunity for consolidation and challenges of overcoming customers' mindsets used to using alternative approaches as well as fragmented clinical practices. Change and acceptance of new idea and solution normally happens over time and in multiple wave-shaped phases instead of a straight line progression. Consequently, our new innovative product and solution offerings may not deliver the targeted sales amount or face uncertain time periods for customers to accept due to various dynamic factors that may influence the perceptions and consensus formation among prospective customers. Consequently, such judgments and self-reinforcing efforts may cause the actual results to deviate from our planned results for a sustained period, which may have adverse effect on our performance.

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We may enter into collaborations, in-licensing arrangements, joint ventures, strategic alliances, business acquisitions or partnerships with third parties that may not result in the development of commercially viable products, the generation of significant future revenue, or consistent realization of deal economics.

In the ordinary course of our business, we may enter into collaborations, in-licensing arrangements, joint ventures, strategic alliances, business acquisitions, partnerships or other arrangements to develop our products and to pursue new geographic or product markets. Proposing, negotiating, and implementing collaborations, in-licensing arrangements, joint ventures, strategic alliances, or partnerships may be a lengthy and complex process.

We may not identify, secure, or complete any such transactions or arrangements in a timely manner, on a cost-effective basis, on acceptable terms or at all. We have limited institutional knowledge and experience with respect to these business development activities, and we may also not realize the anticipated benefits from some of those transactions or arrangements.

Additionally, as we pursue these arrangements and choose to pursue other collaborations, in-licensing arrangements, joint ventures, strategic alliances, or partnerships in the future, we may not be in a position to exercise sole decision-making authority regarding the transaction or arrangement. This could create the potential risk of creating impasses on decisions, and our collaborators may have economic or business interests or goals that are, or that may become, inconsistent with our business interests or goals. It is possible that conflicts may arise with our collaborators. Our collaborators or any future collaborators may act in their self-interest, which may be adverse to our best interest, and they may breach their obligations to us. Disputes between us and our collaborators or any future collaborators may result in litigation or arbitration which would increase our expenses and divert the attention of our management. Further, these transactions and arrangements are contractual in nature and may be terminated or dissolved under the terms of the applicable agreements. Our collaborators or any future collaborators may allege that we have breached our agreement with them, and accordingly seek to terminate such agreement, which could adversely affect our competitive business position and harm our business prospects.

Furthermore, due to the fragmentation nature and the fact that most acquisition targets are at sub-optimal immature organization stage with less than \$10 million in revenue, the risk of integrating such organizations and products can also be higher than acquisitions and consolidations in a mature industry. Consequently, there are risks that some of those acquisitions may fail to deliver the expected deal economics and could have adverse effect on our financial condition and business results.

We may not successfully integrate newly acquired product lines into our business operations or realize the benefits of our partnerships with other companies, acquisitions of complementary products or technologies or other strategic alternatives.

Historically we have acquired or gained the rights to our product lines through acquisitions and other strategic alternatives. As a result of these acquisitions, we have undergone substantial changes to our business and product offerings in a short period of time. Additionally, in the future, we may consider other opportunities to partner with or acquire other businesses, products or technologies that may enhance our product platform or technology, expand the breadth of our markets or customer base or advance our business strategies.

Although we have previously been successful in integrating such products and technologies into our business and operations, there can be no assurances that we will continue to do so in the future. If we fail to successfully integrate collaborations, assets, products or technologies, or if we fail to successfully exploit acquired product or distribution rights, our business could be harmed. Furthermore, we may have to incur debt or issue equity securities in connection with proposed collaborations or to pay for any product acquisitions or investments, the issuance of which could be dilutive to our existing shareholders. Identifying, contemplating, negotiating or completing a collaboration or product acquisition and integrating an acquired product or technology could significantly divert management and employee time and resources.

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Moreover, integrating new product lines with that of our own is a complex, costly and time-consuming process, which requires significant management attention and resources. The integration process may disrupt our existing operations and, if implemented ineffectively, would preclude realization of the full benefits that are expected. Our failure to meet the challenges involved in successfully integrating our acquisitions in order to realize the anticipated benefits may cause an interruption of, or a loss of momentum in, our operating activities and could adversely affect our results of operations. Potential difficulties, costs, and delays we may encounter as part of the integration process may include:

- distracting management from day-to-day operations;
- an inability to achieve synergies as planned;
- risks associated with the assumption of contingent or other liabilities;
- adverse effects on existing business relationships with suppliers or customers;
- inheriting and uncovering previously unknown issues, problems and costs from the acquired product lines;
- uncertainties associated with entering new markets in which we have limited or no experience;
- increased legal and accounting costs relating to the product line or compliance with regulatory matters;
- delays between our expenditures to acquire new products, technologies or businesses and generating net sales from those acquired products, technologies or businesses; and
- increased difficulties in managing our business due to increased personnel, increased data and information to analyze, and the potential addition of international locations.

Any one or all of these factors may increase operating costs or lower anticipated financial performance. Many of these factors are also outside of our control. In addition, even if new product lines or businesses are integrated successfully, we may not realize the full benefits of the acquisition, including the synergies, cost savings or sales or growth opportunities that we expect or within the anticipated time frame. Additional unanticipated costs may be incurred in the integration of product lines or businesses. All of these factors could decrease or delay the expected accretive effect of the transaction, and negatively impact the price of our common stock. The failure to integrate any acquired product line or business successfully would have a material adverse effect on our business, financial condition and results of operations.

We may pursue acquisitions, which involve a number of risks, and if we are unable to address and resolve these risks successfully, such acquisitions could harm our business.

We may in the future acquire businesses, products or technologies to expand our offerings and capabilities, user base and business. We have evaluated, and expect to continue to evaluate, a wide array of potential strategic transactions; however, we have limited experience completing or integrating acquisitions. Any acquisition could be material to our financial condition and results of operations and any anticipated benefits from an acquisition may never materialize. In addition, the process of integrating acquired businesses, products or technologies may create unforeseen operating difficulties and expenditures. Acquisitions in international markets would involve additional risks, including those related to integration of operations across different cultures and languages, currency risks and the particular economic, political and regulatory risks associated with specific countries.

The process of integrating an acquired business, product or technology can create unforeseen operating difficulties, expenditures and other challenges such as:

- potentially increased regulatory and compliance requirements;
- implementation or remediation of controls, procedures and policies at the acquired company;

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- diversion of management time and focus from operation of its then-existing business to acquisition integration challenges;
- coordination of product, sales, marketing and program and systems management functions;
- transition of the acquired company's users and providers onto our systems;
- retention of employees from the acquired company;
- integration of employees from the acquired company into our organization;
- integration of the acquired company's accounting, information management, human resources and other administrative systems and operations into our systems and operations;
- liability for activities of the acquired company prior to the acquisition, including violations of law, commercial disputes and tax and other known and unknown liabilities; and
- litigation or other claims in connection with the acquired company, including claims brought by terminated employees, providers, former stockholders or other third parties.

We may not be able to address these risks successfully, or at all, without incurring significant costs, delays or other operational problems and if we were unable to address such risks successfully our business could be harmed.

We may have difficulty managing our growth which could limit our ability to increase sales and cash flow.

We anticipate experiencing significant growth in our operations and the number of our employees if our current and future products are successful. This growth will place significant demands on our management, as well as our financial and operational resources. In order to achieve our business objectives, we will need to grow our business. Continued growth would increase the challenges involved in:

- implementing appropriate operational and financial systems;
- expanding our sales and marketing infrastructure and capabilities;
- ensuring compliance with applicable FDA, and other regulatory requirements;
- providing adequate training and supervision to maintain high quality standards; and
- preserving our culture and values.

Our growth will require us to continually develop and improve our operational, financial and other internal controls. If we cannot scale and manage our business appropriately, we will not realize our projected growth and our financial results could be adversely affected.

Risks Related to Government Regulation

We are subject to extensive and dynamic medical device regulation, which may impede or hinder the approval or sale of our products and, in some cases, may ultimately result in an inability to obtain approval of certain products or may result in the recall or seizure of previously approved products.

Our products, marketing, sales and development activities and manufacturing processes are subject to extensive and rigorous regulation by various regulatory agencies and governing bodies. Under the US Food, Drug and Cosmetic Act (“**FDC Act**”), medical devices must receive FDA clearance or approval or an exemption from such clearance or approval before they can be commercially marketed in the United States. In the European Union, we are required to comply with applicable medical device directives (including the Medical Devices Directive and the European Medical Device Regulation) and obtain CE Mark (European Conformity) certification in order to market medical devices. In addition, exported devices are subject to the regulatory requirements of each country to which the device is exported. Many countries require that product approvals be renewed or recertified on a regular basis, generally every four to five years. The renewal or recertification process requires that we evaluate any device changes and any new regulations or standards relevant to the device and conduct appropriate testing to document continued compliance. Where renewal or recertification applications are required, they may need to be renewed and/or approved in order to continue selling our products in those countries. There can be no assurance that we will receive the required approvals for new products or modifications to existing products on a timely basis or that any approval will not be subsequently withdrawn or conditioned upon extensive post-market study requirements.

The European Union regulatory bodies finalized a new Medical Device Regulation (“**MDR**”) in 2017, which replaced the existing directives and provided three years for transition and compliance. The MDR changes several aspects of the existing regulatory framework, such as updating clinical data requirements and introducing new ones, such as Unique Device Identification (“**UDI**”). We and those who will oversee compliance to the new MDR face uncertainties as the MDR is rolled out and enforced by the Commission and EEA Competent Authorities, creating risks in several areas, including the CE Marking process and data transparency, in the upcoming years.

Regulations regarding the development, manufacture and sale of medical devices are evolving and subject to future change. We cannot predict what impact, if any, those changes might have on our business. Failure to comply with regulatory requirements could have a material adverse effect on our business, financial condition and results of operations. Later discovery of previously unknown problems with a product or manufacturer could result in fines, delays or suspensions of regulatory clearances or approvals, seizures or recalls of products, physician advisories or other field actions, operating restrictions and/or criminal prosecution. We may also initiate field actions as a result of a failure to strictly comply with our internal quality policies. The failure to receive product approval clearance on a timely basis, suspensions of regulatory clearances, seizures or recalls of products, physician advisories or other field actions, or the withdrawal of product approval by regulatory authorities could have a material adverse effect on our business, financial condition or results of operations.

If we fail to obtain regulatory approvals in the United States or foreign jurisdictions for our products, or any future products, we will be unable to market our products in those jurisdictions.

In addition to regulations in the United States, we are subject to a variety of foreign regulations governing manufacturing, clinical trials, commercial sales and distribution of our future products. Whether or not we obtain FDA approval for a product, we must obtain approval of the product by the comparable regulatory authorities of foreign countries before commencing clinical trials or marketing in those countries. The approval procedures vary among countries and can involve additional clinical testing, or the time required to obtain approval may differ from that required to obtain FDA approval. Clinical trials conducted in one country may not be accepted by regulatory authorities in other countries. Approval by the FDA does not ensure approval by regulatory authorities in other countries, and approval by one or more foreign regulatory authorities does not ensure approval by regulatory authorities in other foreign countries or by the FDA. The foreign regulatory approval process may include all of the risks associated with obtaining FDA approval.

Due to the fact that more than 95% of our revenue comes from health-regulated medical device products, if we do not obtain or maintain necessary regulatory clearances or approvals, or if clearances or approvals for future medical products or modifications to existing medical products are delayed or not issued, our commercial operations and sales targets would be adversely affected.

We operate under highly regulated global health markets and must register and maintain effectiveness and compliance of such registration, with each of our medical devices with every markets’ relevant authority either directly or through our agent or distributors. Any missing or failure to comply with such registrations may disrupt any sales activities in that particular market, and result in adverse effects.

We may be subject to adverse medical device reporting obligations, voluntary corrective actions or agency enforcement actions.

The FDA and similar foreign governmental authorities have the authority to require the recall of commercialized products in the event of material deficiencies or defects in design or manufacture of a product or in the event that a product poses an unacceptable risk to health. The FDA's authority to require a recall must be based on an FDA finding that there is reasonable probability that the device would cause serious injury or death. Manufacturers may also, under their own initiative, recall a product if any material deficiency in a device is found or withdraw a product to improve device performance or for other reasons. The FDA requires that certain classifications of recalls be reported to the FDA within 10 working days after the recall is initiated. A government-mandated or voluntary recall by us or one of our distributors could occur as a result of a perceived or actual unacceptable risk to health, component failures, malfunctions, manufacturing errors, design or labelling defects or other deficiencies and issues. Regulatory agencies in other countries have similar authority to recall devices because of material deficiencies or defects in design or manufacture that could endanger health. Any recall would divert management attention and financial resources and could cause the price of our stock to decline, expose us to product liability or other claims and harm our reputation with customers. Such events could impair our ability to produce our products in a cost-effective and timely manner in order to meet customer demands. A recall involving our silicone gel breast implants could be particularly harmful to our business, financial and operating results. Companies are required to maintain certain records of recalls, even if they are not reportable to the FDA or similar foreign governmental authorities. We may initiate voluntary recalls involving our products in the future that we determine do not require notification of the FDA or foreign governmental authorities. If the FDA or foreign governmental authorities disagree with our determinations, they could require us to report those actions as recalls. A future recall announcement could harm our reputation with customers and negatively affect our sales. In addition, the FDA or a foreign governmental authority could take enforcement action for failing to report the recalls when they were conducted.

In addition, under the FDA's medical device reporting regulations, we are required to report to the FDA any incident in which our product may have caused or contributed to a death or serious injury or in which our product malfunctioned and, if the malfunction were to recur, would likely cause or contribute to death or serious injury. Repeated product malfunctions may result in a voluntary or involuntary product recall. We are also required to follow detailed record-keeping requirements for all self-initiated medical device corrections and removals, and to report such corrective and removal actions to the FDA if they are carried out in response to a risk to health and have not otherwise been reported under the medical device reporting regulations. Depending on the corrective action we take to address a product's deficiencies or defects, the FDA may require, or we may decide, that we need to obtain new approvals or clearances for the device before marketing or distributing the corrected device. Seeking such approvals or clearances may delay our ability to replace the recalled devices in a timely manner. Moreover, if we do not adequately address problems associated with our devices, we may face additional regulatory enforcement action, including FDA warning letters, product seizure, injunctions, administrative penalties, or civil or criminal fines. We may also be required to bear other costs or take other actions that may have a negative impact on our sales as well as face significant adverse publicity or regulatory consequences, which could harm our business, including our ability to market our products in the future.

Any adverse event involving our products, whether in the United States or abroad, could result in future voluntary corrective actions, such as recalls or customer notifications, or agency action, such as inspection, mandatory recall or other enforcement action. Any corrective action, whether voluntary or involuntary, will likely oblige us to defend ourselves in resulting lawsuits, and will require the dedication of our time and capital, distract management from operating our business and may harm our reputation and financial results.

Legislative or regulatory healthcare reforms in the United States and other countries may make it more difficult and costly for us to obtain regulatory clearance or approval of any future product candidates and to produce, market, and distribute our products after clearance or approval is obtained.

Recent political, economic and regulatory influences are subjecting the health care industry to fundamental changes. Both the federal and state governments in the United States and foreign governments continue to propose and pass new legislation and regulations designed to contain or reduce the cost of health care, improve quality of care, and expand access to healthcare, among other purposes. Such legislation and regulations may result in decreased reimbursement for medical devices and/or the procedures in which they are used, which may further exacerbate industry-wide pressure to reduce the prices charged for medical devices. This could harm our ability to market and generate sales from our products.

In addition, regulations and guidance are often revised or reinterpreted by governmental agencies, including the FDA, CMS, and the Department of Health and Human Services Office of the Inspector General (“**OIG**”) and others, in ways that may significantly affect our business and our products. Any new regulations, revisions or reinterpretations of existing regulations may impose additional costs or lengthen review times of our products.

In the future there may continue to be additional proposals relating to the reform of the United States healthcare system. Certain of these proposals could limit the prices we are able to charge for our products or the amount of reimbursement available for our products, and could limit the acceptance and availability of our products, any of which could have a material adverse effect on our business, results of operations and financial condition.

United States and foreign privacy and data protection laws and regulations may impose additional liabilities on us.

While we do not store patient data at our premises or DIH-managed data center, United States, federal and state privacy and data security laws and regulations regulate how we and our partners collect, use and share certain information. In addition to HIPAA, certain state laws govern the privacy and security of health information in certain circumstances, some of which are more stringent than HIPAA and many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts. Failure to comply with these laws, where applicable, can result in the imposition of significant civil and/or criminal penalties and private litigation. For example, the California Consumer Privacy Act, or CCPA, went into effect January 1, 2020. The CCPA, among other things, creates new data privacy obligations for covered companies and provides new privacy rights to California residents, including the right to opt out of certain disclosures of their information. The CCPA also creates a private right of action with statutory damages for certain data breaches, thereby potentially increasing risks associated with a data breach. The CCPA was recently amended by the California Privacy Rights Act, expanding certain consumer rights such as the right to know. It remains unclear what, if any, additional modifications will be made to these laws by the California legislature or how these laws will be interpreted and enforced. The California Attorney General has issued clarifying regulations and initiating enforcement activity. The potential effects of the CCPA and CPRA are significant and may cause us to incur substantial costs and expenses to comply. The CCPA has prompted a wave of proposals for new federal and state privacy legislation, some of which may be more stringent than the CCPA, that, if passed, could increase our potential liability, increase our compliance costs, and adversely affect our business.

We may also be subject to or affected by foreign laws and regulations, including regulatory guidance, governing the collection, use, disclosure, security, transfer, and storage of personal data, such as information that we collect about customers and patients in connection with our operations abroad. The global legislative and regulatory landscape for privacy and data protection continues to evolve, and implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future. This evolution may create uncertainty in our business, result in liability, or impose additional costs on us. The cost of compliance with these laws, regulations and standards is high and is likely to increase in the future.

For example, the European Union implemented the General Data Protection Regulation (“**GDPR**”) a broad data protection framework that expands the scope of European Union data protection law to include certain non-European Union entities that process the personal data of European Union residents, including clinical trial data. The GDPR increases our compliance burden with respect to data protection, including by mandating potentially burdensome documentation requirements and granting certain rights to individuals to control how we collect, use, disclose, retain and protect information about them. The processing of sensitive personal data, such as information about health conditions, leads to heightened compliance burdens under the GDPR and is a topic of active interest among European Union regulators. In addition, the GDPR provides for breach reporting requirements, more robust regulatory enforcement and fines of up to the greater of 20 million euros or 4% of annual global revenue. The GDPR increases our responsibility and liability in relation to personal data that we process, and we may be required to put in place additional mechanisms to ensure compliance with the GDPR, which could divert management’s attention and increase our cost of doing business.

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A data security breach or other privacy violation that compromises the confidentiality, integrity or availability of the personal information of our customers, clinical trials participants, collaborators or employees could harm our reputation, compel us to comply with United States or international breach notification laws, subject us to mandatory corrective action, and otherwise subject us to liability under United States or foreign laws and regulations. Data breaches or other security incidents could also compromise our trade secrets or other intellectual property. If we are unable to prevent such data security breaches and security incidents or implement satisfactory remedial measures, our operations could be disrupted, and we may suffer reputational harm, financial loss or other regulatory penalties. In addition, such events can be difficult to detect, and any delay in identifying them may lead to increased harm.

Finally, it is possible that these privacy laws may be interpreted and applied in a manner that is inconsistent with our practices. Any failure or perceived failure by us to comply with federal, state, or foreign laws or self-regulatory organization's rules or regulations could result in an expense or liability to us.

Changes in law or regulation could make it more difficult and costly for DIH and its subsidiaries to manufacture, market and distribute its products or obtain or maintain regulatory approval of new or modified products.

The experience with the transition to the EU MDR showed how complex, time-consuming and expensive a change in Medical Device Legislation can be. Progression on innovations and new products could be significantly delayed during the work on compliance with new legislations.

We may fail to comply with regulations of the United States and foreign regulatory agencies which could delay, or prevent entirely, and the commercialization of our products.

Given the non-invasive and lower risk nature of rehabilitation products, similar to other rehabilitation technology providers, most of our products are in FDA risk class 1 and this class is not subject to mandatory scrutiny by the U.S. authorities. There is the possibility that, in the future, the FDA may not agree with our classification. We might have to register if disagreement arises, and consequently we would have to stop distributing the device in the U.S. Under such a scenario, possible alternatives registration pathways might be 510(k)s or PMAs, which amount to an increase in the registration time from six months to multiple years; result in significant suspension of our sales activity for products in question in the US.

In some instances, in our advertising and promotion, we may make claims regarding our product as compared to competing products, which may subject us to heightened regulatory scrutiny, enforcement risk, and litigation risks.

The FDA applies a heightened level of scrutiny to comparative claims when applying its statutory standards for advertising and promotion, including with regard to its requirement that promotional labelling be truthful and not misleading. There is potential for differing interpretations of whether certain communications are consistent with a product's FDA-required labelling, and FDA will evaluate communications on a fact-specific basis.

In addition, making comparative claims may draw attention from our competitors. Where a company makes a claim in advertising or promotion that its product is superior to the product of a competitor (or that the competitor's product is inferior), this creates a risk of a lawsuit by the competitor under federal and state false advertising or unfair and deceptive trade practices law, and possibly also state libel law. Such a suit may seek injunctive relief against further advertising, a court order directing corrective advertising, and compensatory and punitive damages where permitted by law.

Any such lawsuit or threat of lawsuit against us will likely oblige us to defend ourselves in court, and will require the dedication of our time and capital, distract management from operating our business and may harm our reputation and financial results. If any such lawsuit against us is successful, we would suffer additional losses of time and capital in taking any required corrective action and would suffer harm to our reputation, all of which would have an adverse effect on our business.

If we fail to obtain or maintain the necessary ISO 13485 certification or the certification according to (EU) 2017/745 (MDR), our commercial operations in the EU and some other countries will be harmed.

As the certifications according to ISO 13485 and (EU) 2017/745 constitute the legal basis for any commercial activity in the European Union and many other countries, these certifications and maintenance of such certifications is a vital task for us. Failure to certify will lead to a disruption of device sales not only in the European Union, but also in the United States and many other countries, as these usually consider a certification a prerequisite for any device registrations.

The majority of our products are classified as medical devices and are regulated by the FDA, the European Union and other governmental authorities both inside and outside of the United States. These agencies enforce laws and regulations that govern the development, testing, manufacturing, labeling, advertising, marketing and distribution, and market surveillance of our medical products. Our failure to comply with these complex laws and regulations could have a material adverse effect on our business, results of operations, financial condition and cash flows. Even after regulatory clearance or approval has been granted, a cleared or approved product and its manufacturer are subject to extensive regulatory requirements relating to manufacturing, labeling, packaging, adverse event reporting, storage, advertising and promotion for the product. If we fail to comply with the regulatory requirements of the FDA or other non-U.S. regulatory authorities, or if previously unknown problems with our products or manufacturing processes are discovered, we could be subject to administrative or judicially imposed sanctions, including restrictions on the products, manufacturers or manufacturing process; adverse inspectional observations (Form 483), warning letters, non-warning letters incorporating inspectional observations; civil or criminal penalties or fines; injunctions; product seizures, detentions or import bans; voluntary or mandatory product recalls and publicity requirements; suspension or withdrawal of regulatory clearances or approvals; total or partial suspension of production; imposition of restrictions on operations, including costly new manufacturing requirements; refusal to clear or approve pending applications or premarket notifications; and import and export

Modifications to our products may require re-registration, new 510(k) clearances or premarket approvals, or may require us to renew existing registrations in non-European Union countries.

Product modifications consisting either of changes to hardware or software or in expanding or restricting indications or contraindications can have an impact on the validity of our registrations. Thus, a product modification may lead to regulatory change projects, which will consume time and resources. A delay in marketing activities for the respective products may result. Many of these changes are beyond our control, as they are initiated by suppliers of components. Often those changes cannot be predicted, as their announcement happens on short notice, thus increasing the risk of business disruption.

The innovative development of our products may lead to the application of new laws, regulations, standards, etc. not considered until now.

Developing our products further in the direction of increasingly independent acting devices might bring those products into the scope of standards or regulations for robotic devices or artificial intelligence, or other similar areas. As this requires further competencies, resources and time, a potential delay or disruption of our commercial activities could result.

Any negative publicity concerning our products could harm our business and reputation and negatively impact our financial results.

The reactions of potential patients, physicians, the news media, legislative and regulatory bodies and others to information about complications or alleged complications of our products could result in negative publicity and could materially reduce market acceptance of our products. These reactions, or any investigations and potential resulting negative publicity, may have a material adverse effect on our business and reputation and negatively impact our financial condition, results of operations or the market price of our common stock. In addition, significant negative publicity could result in an increased number of product liability claims against us.

United States or European healthcare reform measures and other potential legislative initiatives could adversely affect our business.

Europe and the United States are our major markets, and any major healthcare reform that may change the health industry landscape or reimbursement environment, may have a significant impact on our sales performance and growth projects in the affected markets.

Any political changes in the United States or in Europe could result in significant changes in, and uncertainty with respect to, legislation, regulation, global trade, and government policy that could substantially impact our business and the medical device industry generally. The FDA and European Union Commission's policies may also change, and additional government regulations may be issued that could prevent, limit, or delay regulatory approval of our future products, or impose more stringent product labeling and post-marketing testing and other requirements.

Risks Related to War in Ukraine

The credit and financial markets have experienced extreme volatility and disruptions due to the current conflict between Ukraine and Russia. The conflict is expected to have further global economic consequences, including but not limited to the possibility of severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, increases in inflation rates and uncertainty about economic and political stability. In addition, the United States and other countries have imposed sanctions on Russia which increases the risk that Russia, as a retaliatory action, may launch cyberattacks against the United States, its government, infrastructure and businesses. Any of the foregoing consequences, including those we cannot yet predict, may cause our business, financial condition, results of operations and the price of our ordinary shares to be adversely affected.

Risks Related to Our Intellectual Property and Information Technology

We depend on computer and information systems we do not own or control and failures in our systems or a cybersecurity attack or breach of our IT systems or technology could significantly disrupt our business operations or result in sensitive information being compromised which would adversely affect our reputation and/or results of operations.

We have entered into agreements with third parties for hardware, software, telecommunications, and other information technology services in connection with the operation of our business. It is possible we or a third party that we rely on could incur interruptions from a loss of communications, hardware or software failures, a cybersecurity attack or a breach of our IT systems or technology, computer viruses or malware. Though most of those information systems and platforms are provided by well-established multinational firms like Oracle and Microsoft, any interruptions to our arrangements with third parties, to our computing and communications infrastructure, or to our information systems or any of those operated by a third party that we rely on could significantly disrupt our business operations.

In the current environment, there are numerous and evolving risks to cybersecurity and privacy, including criminal hackers, hacktivists, state-sponsored intrusions, industrial espionage, employee malfeasance and human or technological error. A cyberattack of our systems or networks that impairs our information technology systems could disrupt our business operations and result in loss of service to customers, including technical support for our robotics and VR-enabled devices.

Our success depends in part on our ability to obtain and maintain protection for the intellectual property relating to or incorporated into our products.

Our success depends in part on our ability to obtain and maintain protection for the intellectual property relating to or incorporated into our products. We seek to protect our intellectual property through a combination of patents, trademarks, confidentiality, and assignment agreements with our employees and certain of our contractors, as well as confidentiality agreements with certain of our consultants, scientific advisors, and other vendors and contractors. In addition, we rely on trade secrets law to protect our proprietary software and product candidates/products in development.

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The patent position of robotic and VR-enabled inventions can be highly uncertain and involves many new and evolving complex legal, factual, and technical issues. Patent laws and interpretations of those laws are subject to change and any such changes may diminish the value of our patents or narrow the scope of our right to exclude others. In addition, we may fail to apply for or be unable to obtain patents necessary to protect our technology or products from copycats or fail to enforce our patents due to lack of information about the exact use of technology or processes by third parties. Also, we cannot be sure that any patents will be granted in a timely manner or at all with respect to any of our patent pending applications or that any patents that are granted will be adequate to exclude others for any significant period of time or at all. Given the foregoing and in order to continue reducing operational expenses in the future, we may invest fewer resources in filing and prosecuting new patents and on maintaining and enforcing various patents, especially in regions where we currently do not focus our market growth strategy.

Litigation to establish or challenge the validity of patents, or to defend against or assert against others infringement, unauthorized use, enforceability, or invalidity, can be lengthy and expensive and may result in our patents being invalidated or interpreted narrowly and restricting our ability to be granted new patents related to our pending patent applications. Even if we prevail, litigation may be time consuming, force us to incur significant costs, and could divert management's attention from managing our business while any damages or other remedies awarded to us may not be valuable.

In addition, we seek to protect our trade secrets, know-how, and confidential information that is not patentable by entering into confidentiality and assignment agreements with our employees and certain of our contractors and confidentiality agreements with certain of our consultants, scientific advisors, and other vendors and contractors. However, we may fail to enter into the necessary agreements, and even if entered into, these agreements may be breached or otherwise fail to prevent disclosure, third-party infringement, or misappropriation of our proprietary information, may be limited as to their term and may not provide an adequate remedy in the event of unauthorized disclosure or use of proprietary information. Enforcing a claim that a third party illegally obtained or is using our trade secrets without authorization may be expensive and time consuming, and the outcome is unpredictable. Some of our employees or consultants may own certain technology which they license to us for a set term. If these technologies are material to our business after the term of the license, our inability to use them could adversely affect our business and profitability.

We are not able to protect our intellectual property rights in all countries.

Filing, prosecuting, maintaining, and defending patents on each of our products in all countries throughout the world would be prohibitively expensive, and thus our intellectual property rights outside the United States and Europe are limited. In addition, the laws of some foreign countries, especially developing countries, such as China, do not protect intellectual property rights to the same extent as federal and state laws in the United States. It may not be possible to effectively enforce intellectual property rights in some countries at all or to the same extent as in the United States and other countries. Consequently, we are unable to prevent third parties from using our inventions in all countries, or from selling or importing products made using our inventions in the jurisdictions in which we do not have (or are unable to effectively enforce) patent protection. Copycats may use our technologies in jurisdictions where we have not obtained patent protection to develop, market or otherwise commercialize their own products, and we may be unable to prevent those copycats from importing those infringing products into territories where we have patent protection, but enforcement may not be as strong as in the United States. These products may compete with our products and our patents and other intellectual property rights may not be effective or sufficient to prevent them from competing in those jurisdictions.

We may be subject to patent infringement claims, especially for products acquired through acquisitions, which could result in substantial costs and liability and prevent us from commercializing such acquired products.

The medical device industry is characterized by competing intellectual property, given the existence of large number of patents, the rapid rate of new patent issuances, and the complexities of the technology involved; and patent infringement assessments require costly due diligence and extensive resources to cope with the complexity to assess infringement risks in a complex world of regulations and intellectual property filings. As a result, we may choose not to conduct extensive and expensive intellectual property due diligence, especially for small deal value; as a consequence, we might be vulnerable to certain unknown intellectual property infringement claims, especially related to products we acquired from others. Determining whether a product infringes a patent involves complex legal and factual issues and the outcome of patent litigation is often uncertain. Even though we have conducted research of issued patents, no assurance can be given that patents containing claims covering our products, technology or methods do not exist, have not been filed or could not be filed or issued. In addition, because patent applications can take years to issue and because publication schedules for pending applications vary by jurisdiction, there may be applications now pending of which we are unaware, and which may result in issued patents that our current or future products infringe.

Infringement actions and other intellectual property claims brought against us, whether with or without merit, may cause us to incur meaningful costs and could place a significant strain on our financial resources, divert the attention of management, and harm our reputation.

We may be subject to damages resulting from claims that our employees or we have wrongfully used or disclosed alleged trade secrets of their former employers.

Some of our employees were previously employed at other medical device companies, including our competitors or potential competitors, and we may hire employees in the future that are so employed. We could in the future 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. If we fail in defending against such claims, a court could order us to pay substantial damages and prohibit us from using technologies or features that are found to incorporate or be derived from the trade secrets or other proprietary information of the former employers. If any of these technologies or features that are important to our products, this could prevent us from selling those products and could have a material adverse effect on our business. Even if we are successful in defending against these claims, such litigation could result in substantial costs and divert the attention of management.

Risks Related to Ownership of New DIH Class A Common Stock

Future sales of a substantial number of shares of New DIH Class A Common Stock by us or our large stockholders, certain of whom may have registration rights, or dilutive exercises of a substantial number of warrants by our warrant holders could adversely affect the market price of our Class A Common Stock.

Sales by us or our stockholders of a substantial number of shares of New DIH Class A Common Stock in the public market following the Business Combination, or the perception that these sales might occur, could cause the market price of the New DIH Class A Common Stock to decline or could impair our ability to raise capital through a future sale of our equity securities. Additionally, dilutive exercises of a substantial number of warrants by our warrant-holders, or the perception that such exercises may occur, could put downward price on the market price of our ordinary shares.

Future grants of shares of New DIH Class A Common Stock under our equity incentive plan to our employees, non-employee directors and consultants, or sales by these individuals in the public market, could result in substantial dilution, thus decreasing the value of your investment in New DIH Class A Common Stock. In addition, stockholders will experience dilution upon the exercise of outstanding warrants.

Shareholders will be asked to approve an equity incentive plan which will provide for the issuance of up to 4,300,000 additional shares of New DIH Class A Common Stock. Additionally, to the extent registered on a Form S-8, shares of New DIH Class A Common Stock granted or issued under our equity incentive plans will, subject to vesting provisions, lock-up restrictions, and Rule 144 volume limitations applicable to our “affiliates,” be available for sale in the open market immediately upon registration. Further, as of June 30, 2023, there were 26,670,000 shares of New DIH Class A Common Stock underlying issued and outstanding warrants, which if exercised, could decrease the net tangible book value of our New DIH Class A Common Stock and cause dilution to our existing stockholders. Sales of a substantial number of the above-mentioned shares of New DIH Class A Common Stock in the public market could result in a significant decrease in the market price of the New DIH Class A Common Stock and have a material adverse effect on your investment.

If securities or industry analysts do not publish research or reports about New DIH's business, or if they issue an adverse opinion regarding its stock, its stock price and trading volume could decline.

The trading market for New DIH Class A Common Stock is influenced by the research and reports that industry or securities analysts publish about New DIH or its business. New DIH does not currently have and may never obtain research coverage by securities and industry analysts. Since New DIH became public through a merger, securities analysts of major brokerage firms may not provide coverage of New DIH since there is no incentive to brokerage firms to recommend the purchase of its common stock. If no or few securities or industry analysts commence coverage of New DIH, the trading price for its stock would be negatively impacted. In the event New DIH obtains securities or industry analyst coverage, if any of the analysts who cover it issues an adverse opinion regarding New DIH, its business model, its intellectual property or its stock performance, or if its clinical trials and operating results fail to meet the expectations of analysts, its stock price would likely decline. If one or more of these analysts cease coverage of New DIH or fail to publish reports on it regularly, New DIH could lose visibility in the financial markets, which in turn could cause its stock price or trading volume to decline.

We are emerging growth company and a “smaller reporting company” and the reduced reporting requirements applicable to such companies may make our New DIH Class A Common Stock less attractive to investors.

New DIH is an emerging growth company, as defined in the JOBS Act. For as long as New DIH continues to be an emerging growth company, it may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements and exemptions from the requirements of holding nonbinding advisory stockholder votes on executive compensation and stockholder approval of any golden parachute payments not previously approved. New DIH cannot predict if investors will find its common stock less attractive because New DIH may rely on these exemptions. If some investors find New DIH Class A Common Stock less attractive as a result, there may be a less active trading market for New DIH Class A Common Stock and its stock price may be more volatile.

New DIH will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the closing of ATAK's IPO, (b) in which it has total annual gross revenue of at least \$1.235 billion, or (c) in which it is deemed to be a large accelerated filer, which requires the market value of its common stock that is held by non-affiliates to equal or exceed \$700 million as of the last business day of the second fiscal quarter of such year, and (2) the date on which New DIH has issued more than \$1 billion in non-convertible debt during the prior three-year period.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. Following the consummation of the Business Combination, New DIH expects to continue to take advantage of the benefits of the extended transition period, although it may decide to early adopt such new or revised accounting standards to the extent permitted by such standards. This may make it difficult or impossible to compare New DIH's financial results with the financial results of another public company that is either not an emerging growth company or is an emerging growth company that has chosen not to take advantage of the extended transition period exemptions because of the potential differences in accounting standards used.

Additionally, New DIH is a “smaller reporting company” as defined in Item 10(f) of Regulation S-K, which allows us to take advantage of certain scaled disclosure requirements available specifically to smaller reporting companies. For example, we may continue to use reduced compensation disclosure obligations, and we will not be obligated to follow the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act. We will remain a smaller reporting company until the last day of the fiscal year in which we have at least \$100 million in revenue and at least \$700 million in aggregate market value of our shares held by non-affiliated persons and entities (known as “public float”), or, alternatively, if our revenue exceed \$100 million, until the last day of the fiscal year in which our public float was at least \$250.0 million (in each case, with respect to public float, as measured as of the last business day of the second quarter of such fiscal year). For the year ended March 31, 2023, DIH recorded revenue of approximately \$55.0 million.

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We cannot predict or otherwise determine if investors will find our securities less attractive as a result of our reliance on exemptions as a smaller reporting company and/or “non-accelerated filer.” If some investors find our securities less attractive as a result, there may be a less active trading market for our ordinary shares and the price of our ordinary shares may be more volatile.

The price of our Class A Common Stock may be volatile, and you may lose all or part of your investment.

The market price of our New DIH Class A Common Stock could be highly volatile and may fluctuate substantially as a result of many factors. In addition, because the warrants are exercisable into our shares of our Class A Common Stock, volatility, or a reduction in the market price of our Class A Common Stock could have an adverse effect on the trading price of the warrants. Factors which may cause fluctuations in the price of our Class A Common Stock include, but are not limited to:

- actual or anticipated fluctuations in our growth rate or results of operations or those of our competitors;
- customer acceptance of our products;
- announcements by us or our competitors of new products or services, commercial relationships, acquisitions, or expansion plans;
- announcements by us or our competitors of other material developments;
- our involvement in litigation;
- changes in government regulation applicable to us and our products;
- sales, or the anticipation of sales, of our ordinary shares, warrants and debt securities by us, or sales of our ordinary shares by our insiders or other shareholders, including upon expiration of contractual lock-up agreements;
- developments with respect to intellectual property rights;
- competition from existing or new technologies and products;
- changes in key personnel;
- the trading volume of the New DIH Class A Common Stock;
- changes in the estimation of the future size and growth rate of our markets;
- changes in our quarterly or annual forecasts with respect to operating results and financial conditions;
- general economic and market conditions and
- Announcements regarding business acquisitions.

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In addition, the stock markets have experienced extreme price and volume fluctuations. Broad market and industry factors may materially harm the market price of our ordinary shares, regardless of our operating performance. Technical factors in the public trading market for New DIH Class A Common Stock may produce price movements that may or may not comport with macroeconomic, industry or DIH-specific fundamentals, including, without limitation, the sentiment of retail investors (including as may be expressed on financial trading and other social media sites), the amount and status of short interest in our securities, access to margin debt, trading in options and other derivatives on our ordinary shares and any related hedging or other technical trading factors. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted against that company. If we become involved in any similar litigation, we could incur substantial costs and our management's attention and resources could be diverted.

General Risks

Exchange rate fluctuations between the U.S. dollar, the Euro and the Swiss Franc may negatively affect our revenue and earnings.

The U.S. dollar is our functional and reporting currency. However, more than 50% of our sales orders come from Europe in euros; and we pay a significant portion of our expenses in euro and Swiss Francs; and we expect this to continue. As a result, we are exposed to exchange rate risks that may materially and adversely affect our financial results. Accordingly, any depreciation of the euro relative to the U.S. dollar would adversely impact our revenue, and any appreciation of Swiss Franc against U.S. dollar will adversely impact net loss or net income, if any.

Our operations also could be adversely affected if we are unable to effectively hedge against currency fluctuations in the future.

We are subject to certain regulatory regimes that may affect the way that we conduct business internationally, and our failure to comply with applicable laws and regulations could materially adversely affect our reputation and result in penalties and increased costs.

We are subject to a complex system of laws and regulations related to international trade, including economic sanctions and export control laws and regulations. We also depend on our distributors and agents for compliance and adherence to local laws and regulations in the markets in which they operate. Significant political or regulatory developments in the jurisdictions in which we sell our products, such as those stemming from the presidential administration in the United States or the U.K.'s exit from the E.U. (known as "Brexit"), are difficult to predict and may have a material adverse effect on us. For example, in the United States, the Trump administration-imposed tariffs on imports from China, Mexico, Canada, and other countries, and expressed support for greater restrictions on free trade and increase tariffs on goods imported into the United States. Changes in U.S. political, regulatory, and economic conditions or in its policies governing international trade and foreign manufacturing and investment in the United States could adversely affect our sales in the United States.

We are also subject to the U.S. Foreign Corrupt Practices Act and may be subject to similar worldwide anti-bribery laws that generally prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business. Despite our compliance and training programs, we cannot be certain that our procedures will be sufficient to ensure consistent compliance with all applicable international trade and anti-corruption laws, or that our employees or channel partners will strictly follow all policies and requirements to which we subject them. Any alleged or actual violations of these laws may subject us to government scrutiny, investigation, debarment, and civil and criminal penalties, which may have an adverse effect on our results of operations, financial condition and reputation.

If there are significant disruptions in our information technology systems, our business, financial condition and operating results could be adversely affected.

The efficient operation of our business depends on our information technology systems like Oracle's ERP and Microsoft 360 Office Platforms. We rely on our information technology systems to effectively manage sales and marketing data, accounting and financial functions, inventory management, product development tasks, research and development data, customer service and technical support functions. Our information technology systems are vulnerable to damage or interruption from earthquakes, fires, floods and other natural disasters, terrorist attacks, attacks by computer viruses or hackers, power losses, and computer system or data network failures. In addition, our data management application is hosted by a third-party service provider whose security and information technology systems are subject to similar risks, and our products' systems contain software which could be subject to computer virus or hacker attacks or other failures.

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The failure of our or our service providers' information technology systems or our products' software to perform as we anticipate or our failure to effectively implement new information technology systems could disrupt our entire operation or adversely affect our software products and could result in decreased sales, increased overhead costs, and product shortages, all of which could have a material adverse effect on our reputation, business, financial condition, and operating results.

If we fail to properly manage our anticipated growth, our business could suffer.

Our growth and product expansion has placed, and we expect that it will continue to place, a significant strain on our management team and on our financial resources. Failure to manage our growth effectively could cause us to misallocate management or financial resources, and result in losses or weaknesses in our infrastructure, which could materially adversely affect our business. Additionally, our anticipated growth will increase the demands placed on our suppliers, resulting in an increased need for us to manage our suppliers and monitor for quality assurance. Any failure by us to manage our growth effectively could have an adverse effect on our ability to achieve our business objectives.

We are highly dependent on the knowledge and skills of our global leadership team, and if we are not successful in attracting and retaining highly qualified personnel, we may not be able to successfully implement our business strategy.

Our ability to continue to lead in this fragmented industry depends upon our ability to attract, develop and retain highly qualified managerial, scientific, sales and medical personnel. We are highly dependent on our global leadership team and have benefited substantially from the leadership and performance of our global leadership team. The loss of the services of any of our executive officers and other key global leadership team member, and our inability to find suitable replacements could result in delays in product development and harm the smooth operation of our business.

DIH's management team has limited experience managing a public company.

Members of our management team have limited experience managing a publicly traded company, interacting with public company investors, and complying with the increasingly complex laws pertaining to public companies. We may not successfully or efficiently manage our transition to being a public company that is subject to significant regulatory oversight and reporting obligations under the federal securities laws and the continuous scrutiny of securities analysts and investors. These new obligations and constituents will require significant attention from our senior management and could divert their attention away from the day-to-day management of our business, which could harm our business, results of operations, and financial condition.

We have identified material weaknesses in our internal control over financial reporting. These material weaknesses could continue to adversely affect our ability to report our results of operations and financial condition accurately and in a timely manner.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Our management is likewise required to evaluate the effectiveness of our internal controls and to disclose any changes and material weaknesses identified through such evaluation in those internal controls. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

We identified material weaknesses in our internal control over financial reporting, specifically those dealing with intercompany transactions that were not properly recorded for the year ended March 31, 2022. As a result, we had overstated the costs of sales and understated certain other expenses. We determined that the previously-issued financial statements should not be relied upon and were restated. Accordingly, management believes that the financial statements included in this proxy statement/prospectus present fairly in all material respects our financial position, results of operations and cash flows for the periods presented.

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We also identified a material weakness in our internal control over financial reporting with respect to our accounting personnel. Specifically, the Company concluded that it had limited accounting personnel and other resources with which to address its internal control over financial reporting in accordance with requirements applicable to public companies. Historically, the Company has not retained a sufficient number of professionals with an appropriate level of accounting knowledge, training and experience to appropriately analyze, record and disclose accounting matters under U. S. GAAP.

Any failure to maintain such internal control could adversely impact our ability to report our financial position and results from operations on a timely and accurate basis. If our financial statements are not accurate, investors may not have a complete understanding of our operations. Likewise, if our financial statements are not filed on a timely basis, we could be subject to sanctions or investigations by the stock exchange on which our New DIH Class A Common Stock are listed, the SEC or other regulatory authorities. In either case, there could result a material adverse effect on our business. Ineffective internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of the New DIH Class A Common Stock.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 1C. CYBER SECURITY

Cybersecurity Risk Management and Strategy

We have developed and implemented a cybersecurity risk management program intended to protect the confidentiality, integrity, and availability of our critical systems and information.

We design and assess our program based on the National Institute of Standards and Technology Cybersecurity Framework Special Publication 800-53, 800-61, rev 2 ("NIST CSF). This does not imply that we meet any particular technical standards, specifications, or requirements. We use the NIST CSF as a guide to help us identify, assess, and manage cybersecurity risks relevant to our business.

Our cybersecurity risk management program is integrated into our overall enterprise risk management program and shares common methodologies, reporting channels, and governance processes that apply across the enterprise risk management program to other legal, compliance, strategic, operational, and financial risk areas.

Our cybersecurity risk management program includes the following:

- risk assessments designed to help identify material cybersecurity risks to our critical systems, information, products, services, and our broader enterprise IT environment;
- a security team principally responsible for managing (1) our cybersecurity risk assessment processes, (2) our security controls, and (3) our response to cybersecurity incidents;
- the use of external service providers, where appropriate, to assess, test, or otherwise assist with aspects of our security controls;
- cybersecurity awareness training of our employees, incident response personnel, and senior management; and
- a cybersecurity incident response plan that includes procedures for responding to cybersecurity incidents.

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There can be no assurance that our cybersecurity risk management program and processes, including our policies, controls or procedures, will be fully implemented, complied with or effective in protecting our systems and information.

We have not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected or are reasonably likely to materially affect us, including our operations, business strategy, results of operations, or financial condition

Cybersecurity Governance

Our Board considers cybersecurity risks as part of its risk oversight function of cybersecurity and other information technology risks.

The Audit Committee oversees management's implementation of our cybersecurity risk management program and receives updates on the cybersecurity risk management program from management at least annually. In addition, management updates the Audit Committee regarding any material or significant cybersecurity incidents, as well as incidents with lesser impact potential as necessary.

The Audit Committee reports to the full Board annually regarding cybersecurity. The full Board also receives annual briefings from external experts on cybersecurity as part of the Board's continuing education on topics that impact public companies.

Ongoing Risks

We have not experienced any material cybersecurity incidents. We have not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected us, including our operations, business strategy, results of operations, or financial condition.

Risk Management and Strategy

The Company recognizes the critical importance of cybersecurity in safeguarding sensitive information, maintaining operational resilience, and protecting stakeholders' interests. This cybersecurity policy is designed to establish a comprehensive framework for identifying, assessing, mitigating, and responding to cybersecurity risks across the organization.

The Company is in the process of establishing a cybersecurity policy which implement protocols to evaluate, recognize, and address significant risks, including those posed by cybersecurity threats. This strategy encompasses the utilization of standard traffic monitoring tools, educating personnel to identify and report abnormal activities, and partnering with reputable service providers capable of upholding security standards equivalent to or exceeding our own.

These measures are to be seamlessly integrated into our broader operational risk management framework aimed at minimizing exposure to unnecessary risks across our operations. For cybersecurity, we collaborate with expert consultants and third-party service providers to implement industry-standard strategies aimed at identifying and mitigating potential threats or vulnerabilities within our systems. Additionally, the policy strategy will have a comprehensive cyber crisis response plan to manage high severity security incidents, ensuring efficient coordination across the organization.

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Cybersecurity threats haven't significantly impacted our operations, and we don't anticipate such risks materially affecting our business, strategy, financial condition, or results of operations. However, given the escalating sophistication of cyber threats, our preventive measures may not always suffice. Despite well-designed controls, we acknowledge the inability to foresee all security breaches, including those stemming from third-party misuse of AI technologies, and the potential challenges in implementing timely preventive measures.

The Chief Financial Officer will oversee our information security programs, including cybersecurity initiatives, and is integrated into our Cybersecurity Incident response process. The Audit committee oversees cybersecurity risk management activities, supported by Company management, the Board of Directors, and external consultants. We assess and prioritize risks based on potential impact, implement technical controls, and monitor third-party vendors' security practices.

ITEM 2. PROPERTY

Our executive offices are located at 77 Accord Drive, Suite D-1 Norwell, MA. We do not own any properties, instead we lease properties to meet our needs. Currently, we have two main R&D and Operational campuses that we lease for Hocoma and Motek operation in Switzerland and Netherlands. The Hocoma AG leased property is located at Industriestrasse 2 and 4a in 8604 Volketswil. The Motek Medical B.V. leased property is located at Vleugelboot 14, Houten in The Netherlands. Beside those two main campuses, we also lease five commercial offices space at the following locations to house the regional Sales & Marketing, Clinical Application & Training, Technical Services, Finance, Logistics, Administration and other local market support functions.

- DIH Technology Inc. leased commercial office for American team at 77 Accord Park Dr., Suite D-1, Norwell, MA 02061, United States
- DIH Technology d.o.o leased commercial office for EMEA Indirect sales team at Letališka 29a, 1000 Ljubljana, Slovenia
- DIH GmbH leased commercial office for the Direct Sales team in DACH region, at Konrad-Adenauer Strasse 13, 50996 Köln, Germany
- DIH Pte Ltd leased commercial office for APAC team at 67 Ubi Avenue 1, #06-17 Starhub Green, Singapore 408942
- DIH SpA leased commercial office for LATAM team at Pdte. Kennedy Lateral 5488, Oficina 1402; Vitacura, Santiago, Chile

ITEM 3. LEGAL PROCEEDINGS

There is no material litigation, arbitration or governmental proceeding currently pending against us or any members of our management team in their capacity as such, and we and the members of our management team have not been subject to any such proceeding in the 12 months preceding the date of this Annual Report.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our Class A Common Stock and Public Warrants are listed on the Nasdaq Global Markets (“Nasdaq”) under the symbols “DHAI,” and “DHAIW,” “respectively.

Holders

As of the date of this filing, there were 119 holders of record of our Class A Common Stock, and 2 holders of record of our Public Warrants.

Dividends

We have not paid any cash dividends on shares of our Class A Common Stock to date and do not intend to pay cash dividends. The payment of cash dividends 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 of directors. It is the present intention of our board of directors to retain all earnings, if any, for use in our business operations and, accordingly, our board of directors does not anticipate declaring any dividends in the foreseeable future.

Recent Sales of Unregistered Securities; Use of Proceeds from Registered Securities

In connection with the consummation of the Business Combination, New DIH issued 229,797 shares of its Class A Common Stock to Maxim Group LLC and to other vendors as partial payment of expenses owed.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of the Company’s financial condition and results of operations should be read in conjunction with our audited financial statements and the notes related thereto contained elsewhere in this Annual Report. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties.

Overview

We are Cayman Islands exempted company incorporated on August 6, 2021 for the purpose of effecting a merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or other similar business combination with one or more target businesses.

On February 9, 2022, we consummated our initial public offering (the “IPO”) of 20,200,000 of our units (the “Units”) which includes the partial exercise of the underwriters’ over-allotment option. Each Unit consisted of one Class A ordinary share, one redeemable warrant entitling the holder to purchase one-half of one Class A ordinary share at a purchase price of \$11.50 per whole share (the “Public Warrants”), and one right to acquire one-tenth (1/10) of one Class A ordinary share. The Units were sold at an offering price of \$10.00 per Unit, generating gross proceeds of \$202,000,000.

On March 17, 2022, we announced that the holders of the Units may elect to separately trade the Class A ordinary shares, Public Warrants and rights included in the Units, commencing on March 21, 2022. Any Units not separated continue to trade on the Nasdaq Stock Market LLC (“Nasdaq”) under the symbol “ATAKU.” Any underlying Class A Ordinary Shares, Public Warrants and Rights that are separated trade on the Nasdaq under the symbols “ATAK,” “ATAKW” and “ATAKR,” respectively.

At December 31, 2023, we had cash of \$12,355 and cash held in a Trust Account of \$58,648,639, current liabilities of \$4,618,058, deferred underwriting commission payable of \$7,070,000 and \$270,020 of warrant liabilities.

Business Combination

On February 26, 2023 (the “Signing Date”), we entered into a Business Combination Agreement (as it may be amended, supplemented or otherwise modified from time to time in accordance with its terms, the “Business Combination Agreement”), among us, Aurora Technology Merger Sub Corp., a Nevada corporation and a direct, wholly-owned subsidiary of ATAK (“Merger Sub”), and DIH Holding US, Inc., a Nevada corporation (“DIH”).

Following the time of the closing of the Business Combination (the “Closing,” and the date on which the Closing occurs, the “Closing Date”), the combined company will be organized as a Delaware corporation, in which substantially all of the assets and the business of the combined company will be held by DIH. The combined company’s business will continue to operate through DIH and its subsidiaries. In connection with the Closing, ATAK will change its name to “DIH Holding US, Inc.” (such company after the Closing, “New DIH”).

On February 6, 2024, us and DIH received approval of The Nasdaq Stock Market LLC to list the Class A common stock of New DIH to be outstanding after the Closing on the Nasdaq Global Market under the symbol “DHAI.” The outstanding warrants to purchase shares of Class A common stock have been approved for listing on the Nasdaq Capital Market under the symbol “DHAIW.”

The Closing occurred on February 7, 2024, with trading commencing under the new name and symbols on February 9, 2024.

Results of Operations

We have neither engaged in any operations nor generated any revenues to date. Our only activities from August 6, 2021 (inception) through December 31, 2023 were organizational activities, those necessary to prepare for the IPO, described below, and after the IPO, identifying a target company for our initial business combination. We do not expect to generate any operating revenues until after the completion of our initial business combination. We generate non-operating income in the form of interest income on marketable securities held in the Trust Account (as defined below). We incur expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance), as well as for due diligence expenses.

For the year ended December 31, 2023, we had net income of \$640,196, which consisted of formation and operating expenses of \$3,527,996, consisting of legal and accounting expenses of \$1,857,542, administrative fee expenses of \$969,583, insurance expense of \$290,084, formation and operating costs of \$247,210, listing fees of \$140,000, and advertising and marketing expenses of \$23,577. This was offset by a gain of \$319,400 for the change in fair value of the warrant liability, a gain of \$364,786 on the extinguishment of liabilities, and \$3,484,006 of dividend income on marketable securities held in the Trust Account.

For the year ended December 31, 2022, we had net income of \$6,604,155, which consists of formation and operating expenses of \$1,705,315, consisting of legal and accounting expenses of \$557,563, administrative fee expenses of \$150,516, insurance expense of \$412,591, formation and operating costs of \$516,747, listing fees of \$55,542, and advertising and marketing expenses of \$12,356. This was offset by a gain of \$5,191,127 for the change in fair value of the warrant liability, a gain of \$258,440 on the extinguishment of the over-allotment option liability, and a gain of \$2,859,903 of dividend income on marketable securities held in the Trust Account.

Liquidity and Capital Resources

On February 9, 2022, we consummated our IPO of 20,200,000 of Units, which includes the partial exercise of the underwriters’ over-allotment option. Each Unit consists of one Class A ordinary share, one Public Warrant entitling the holder to purchase one-half of one Class A ordinary share at a purchase price of \$11.50 per whole share, and one right to acquire one-tenth (1/10) of one Class A ordinary share. The Units were sold at an offering price of \$10.00 per Unit, generating gross proceeds of \$202,000,000.

Simultaneously with the consummation of the IPO, we consummated the private placement (“Private Placement”) of 6,470,000 warrants (the “Private Placement Warrants”) at a price of \$1.00 per Private Placement Warrant, generating gross proceeds of \$6,470,000. The Private Placement Warrants were sold to the Sponsor. The Private Placement Warrants are identical to the Public Warrants sold in the IPO as part of the Units, except that the Private Warrants are non-redeemable and may be exercised on a cashless basis, in each case so long as they continue to be held by the Sponsor or its permitted transferees.

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Following the closing of the IPO and the private placement of Private Placement Warrants, an aggregate amount of \$204,020,000 has been placed in the trust account (the "Trust Account") established in connection with the IPO. Transaction costs amounted to \$29,192,787 consisting of \$2,525,000 of underwriting fees, \$7,070,000 of deferred underwriting fees, over-allotment option liability of \$258,440, \$3,030,000 for issuance of representative shares, \$15,596,420 fair value of rights underlying the Units, and \$712,927 of actual offering costs. In addition, \$1,468,333 of cash was held outside of the Trust Account, which is available for the payment of offering costs and for working capital purposes. As a result of the underwriters' partial exercise of the over-allotment option, 50,000 Class B ordinary shares are no longer subject to forfeiture.

As of December 31, 2023, we had marketable securities held in the Trust Account of \$58,648,639 consisting of money market funds which invest U.S. Treasury securities. Interest income on the balance in the Trust Account may be used by us to pay taxes. Through December 31, 2023, we withdrew \$3,965 of interest earned on the Trust Account.

For the year ended December 31, 2023, net cash used in operating activities was \$694,213. Net income of \$640,196 was increased by a decrease in prepaid assets of \$284,597, an increase in due to related party of \$55,662, and an increase in accounts payable and accrued expenses of \$2,493,524, and reduced by dividend income on marketable securities held in Trust Account of \$3,484,006, a change in the fair value of our warrant liability of \$319,400, and a gain on extinguishment of a liability of \$364,786.

For the year ended December 31, 2022, net cash used in operating activities was \$1,095,955. Net income of \$6,604,155 was increased by offering costs allocation of \$516,746 and an increase in accounts payable and accrued expenses of \$377,211, and reduced by dividend income on marketable securities held in Trust Account of \$2,859,903, a change in the fair value of our warrant liability of \$5,191,127, gain on extinguishment of the over-allotment liability of \$258,440, an increase in prepaid assets of \$284,597.

For the year ended December 31, 2023, net provided by investing activities was \$151,715,270, consisting of \$153,200,270 proceeds from the redemption of marketable securities held in the Trust Account offset by \$1,485,000 purchases of marketable securities held in the Trust Account.

For the year ended December 31, 2022, net cash used in investing activities was \$204,020,000 for our investment in the Trust Account.

For the year ended December 31, 2023, net cash used in financing activities was \$151,199,805, as a result of a \$153,196,305 payment in connection with redemptions of Class A ordinary shares. This was offset by proceeds of \$1,996,500 under promissory notes with related parties.

For the year ended December 31, 2022, net provided by financing activities was \$205,641,685, primarily from the sale of the Units and Private Placement Warrants in the amount of \$208,470,000. This was offset by the \$2,525,000 payment of the underwriting fee, \$242,801 repayment of a related party promissory note, and payment of offering costs of \$460,514.

We intend to use substantially all of the funds held in the Trust Account, including any amounts representing interest earned on the Trust Account (less income taxes payable), to complete our initial business combination. To the extent that our capital stock or debt is used, in whole or in part, as consideration to complete our initial business combination, the remaining proceeds held in the Trust Account will be used as working capital to finance the operations of the target business or businesses, make other acquisitions and pursue our growth strategies.

As of December 31, 2023 and 2022, we had cash of \$12,355 and \$191,103, respectively, outside the Trust Account. We intend to use the funds held outside the Trust Account primarily to identify and evaluate target businesses, perform business due diligence on prospective target businesses, travel to and from the offices, plants or similar locations of prospective target businesses or their representatives or owners, review corporate documents and material agreements of prospective target businesses, and structure, negotiate and complete our initial business combination.

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In order to fund working capital deficiencies or finance transaction costs in connection with initial business combination, the Sponsor, or certain of our officers and directors or their affiliates may, but are not obligated to, loan us funds as may be required. Upon completion of our initial business combination, we would have repaid such loaned amounts. Up to \$1,500,000 of such loans may be convertible into private placement warrant at a price of \$1.00 per private placement warrant, at the option of the lender. The private placement warrants would be identical to the Private Placement Warrants.

During 2023 and through the date of the Business Combination, the Company had a significant working capital deficit, had incurred significant costs in pursuit of its financing and acquisition plans, and the possibility existed that the Company may have needed to raise additional capital through loans or additional investments from its Sponsor, shareholders, officers, directors, or third parties. Therefore, as of December 31, 2023, and during the period prior to the Business Combination with DIH, these conditions raised substantial doubt about the Company's ability to continue as a going concern. Upon completion of the Business Combination and as of the date these financial statements are issued, the Company is currently assessing the combined entity's ability to continue as a going concern. Until that assessment is complete, the Company continues to report that there is substantial doubt about the Company's ability to continue as a going concern through twelve months from the date these financial statements are issued.

ATAK Related Party Transactions

Founder shares

On August 7, 2021, the Sponsor was issued 5,750,000 of ATAK's Class B ordinary shares (the "Founder Shares") for an aggregate purchase price of \$25,000. Due to the underwriters partial exercise of the over-allotment option, the Sponsor forfeited 700,000 Founder Shares back to ATAK. As a result, the Sponsor currently has 5,050,000 Founder Shares. The Sponsor has agreed, subject to certain limited exceptions, not to transfer, assign or sell any of the Founder Shares until the earlier of (A) one year after the completion of a Business Combination or (B) subsequent to a Business Combination, (x) if the last reported sale price of the Class A Ordinary Shares equals or exceeds \$12.00 per share (as adjusted for share sub-divisions, share 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 ATAK completes a liquidation, merger, stock exchange, reorganization or other similar transaction that results in all of the ATAK's shareholders having the right to exchange their Class A ordinary shares for cash, securities or other property.

Private Placement Warrants

Simultaneously with the consummation of the ATAK IPO, ATAK consummated a private placement of the 6,470,000 ATAK Private Placement Warrants, at a price of \$1.00 per ATAK Private Warrant, generating gross proceeds of \$6,470,000. The ATAK Private Warrants were sold to the Sponsor. The Private Warrants are identical to Public Warrants sold in the ATAK IPO as part of the ATAK Units, except that the ATAK Private Warrants are non-redeemable and may be exercised on a cashless basis, in each case so long as they continue to be held by our Sponsor or our Sponsor's permitted transferees.

August 2021 Promissory Note

On August 7, 2021, ATAK issued an unsecured promissory note to the Sponsor (the "August 2021 Promissory Note"), pursuant to which ATAK may borrow up to an aggregate principal amount of \$300,000. The Promissory Note was non-interest bearing and payable on the earlier of March 31, 2022, or the completion of the IPO. At the time of repayment, there was \$242,801 outstanding under the August 2021 Promissory Note. On February 9, 2022, ATAK repaid the Sponsor for amounts outstanding under the August 2021 Promissory Note. There were no amounts outstanding under the August 2021 Promissory Note.

Working Capital Loans

In order to finance transaction costs in connection with a Business Combination, the Sponsor, certain of ATAK's officers, directors or any of their affiliates may, but are not obligated to, loan ATAK funds as may be required ("Working Capital Loans"). If ATAK completes the Business Combination, ATAK would repay the Working Capital Loans out of the proceeds of the Trust Account released to ATAK. Otherwise, the Working Capital Loans would be repaid only out of funds held outside the Trust Account. In the event that a Business Combination does not close, ATAK 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 Working Capital Loans would either be repaid upon completion of a Business Combination, without interest, or, at the lender's discretion, up to \$1,500,000 of such Working Capital Loans may be convertible into warrants of the post Business Combination entity at a price of \$1.00 per warrant. The warrants would be identical to the ATAK Private Placement Warrants. As of date of this proxy statement/prospectus, no such convertible working capital loans were outstanding.

Administrative support agreement

Commencing on February 9, 2022, ATAK agreed to pay the Sponsor a total of \$10,000 per month for office space, secretarial and administrative services provided to ATAK. Upon completion of the initial Business Combination or ATAK's liquidation, ATAK will cease paying these monthly fees.

February 2023 Notes

On February 8, 2023, ATAK issued an unsecured promissory note (the "February Extension Note") in the amount of \$135,000 to the Sponsor, in exchange for the Sponsor depositing such amounts into the Trust Account order to extend the amount of time ATAK has available to complete a business combination by one (1) month from February 9, 2023 to March 9, 2023. The February Extension Note does not bear interest, and matures (subject to the waiver against trust provisions) upon the earlier of (i) two (2) days following the date on which the Business Combination is consummated or liquidation and (ii) August 31, 2023. Repayment of the February Extension Note shall be made no later than twenty (20) business days following the closing of the Business Combination. ATAK has not drawn funds against the February Extension Note. In addition, ATAK issued an unsecured promissory note (the "February Working Capital Note") in the amount of \$90,000 to the Sponsor, in exchange for the Sponsor depositing such amounts in ATAK's working capital account, in order to provide ATAK with additional working capital. The Working Capital Note does not bear interest, and matures (subject to the waiver against trust provisions) upon the earlier of (i) two (2) days following the date on which the Business Combination is consummated and (ii) the date of the liquidation of ATAK.

March 2023 Note

On March 3, 2023, ATAK issued an unsecured promissory note to the Sponsor, with a principal amount equal to \$810,000 (the "March 2023 Extension Note"). The March 2023 Extension Note bears no interest and is repayable in full (subject to amendment or waiver) upon the earlier of (a) the date of the consummation of the Business Combination, or (b) the date of the ATAK's liquidation. Advances under the March 2023 Extension Note are for the purpose of making Extension payments and repaying the Sponsor or any other person with respect to funds loaned to ATAK for the purpose of paying Extension Payments, including the Extension Payment made in February 2023. On March 7, 2023, pursuant to the March 2023 Extension Note, ATAK delivered to the Sponsor a written request to draw down \$135,000 for the second month of the Extension. Upon this written request, the Sponsor deposited \$135,000 to ATAK's Trust Account on March 8, 2023.

In connection with the issuance of the March Extension Note, certain existing investors in the Sponsor received convertible notes issued by the Sponsor, whereby, at the election of the noteholders and only if ATAK consummates the Business Combination, a noteholder may convert the principal outstanding under the respective note into Class A Ordinary Shares of ATAK at a price of \$10.0 per share.

April 2023 Notes

On April 6, 2023, pursuant to the March Extension Note, ATAK delivered to the Sponsor a written request to draw down \$135,000 for the third month of the Extension. Upon this written request, the Sponsor deposited \$135,000 to the ATAK's Trust Account on April 6, 2023 in order to extend the Combination Period by one (1) month From April 9, 2023 to May 9, 2023.

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In addition, ATAK issued an unsecured promissory note (the “April Working Capital Note”) in the amount of \$100,000 to the Sponsor, in exchange for the Sponsor depositing such amounts in ATAK’s working capital account, in order to provide ATAK with additional working capital. The April Working Capital Note does not bear interest, and matures (subject to the waiver against trust provisions) upon the earlier of (i) two (2) days following the date on which ATAK’s initial business combination is consummated and (ii) the date of the liquidation of ATAK.

May 2023 Notes

On May 2, 2023, ATAK issued an unsecured promissory note (the “May Working Capital Note”) in the amount of \$100,000 to the Sponsor, in exchange for the Sponsor depositing such amounts in ATAK’s working capital account, in order to provide ATAK with additional working capital. The May Working Capital Note does not bear interest, and matures (subject to the waiver against trust provisions) upon the earlier of (i) two (2) days following the date on which ATAK’s initial business combination is consummated and (ii) the date of the liquidation of ATAK.

On May 5, 2023, pursuant to the March Extension Note, ATAK delivered to the Sponsor a written request to draw down \$135,000 for the fourth month of the Extension. Upon this written request, the Sponsor deposited \$135,000 to ATAK’s Trust Account on May 5, 2023 in order to extend the Combination Period by one (1) month From May 9, 2023 to June 9, 2023.

June 2023 Notes

On June 5, 2023, pursuant to the March Extension Note, ATAK delivered to the Sponsor a written request to draw down \$135,000 for the fifth month of the Extension. Upon this written request, the Sponsor deposited \$135,000 to ATAK’s Trust Account on June 5, 2023 in order to extend the Combination Period by one (1) month from June 9, 2023 to July 9, 2023.

On June 14, 2023, the Company issued an unsecured promissory note (the “June Working Capital Note”) in the amount of \$20,000 to the Sponsor, in exchange for the Sponsor depositing such amounts in the Company’s working capital account, in order to provide the Company with additional working capital. The June Working Capital Note does not bear interest, and matures (subject to the waiver against trust provisions) upon the earlier of (i) two (2) days following the date on which the Company’s initial business combination is consummated and (ii) the date of the liquidation of the Company.

July 2023 Notes

On July 5, 2023, pursuant to the March Extension Note, the Company delivered to the Sponsor a written request to draw down \$135,000 for the sixth month of the Extension. Upon this written request, the Sponsor deposited \$135,000 to the Company’s Trust Account on July 5, 2023 in order to extend the Combination Period by one (1) month from July 9, 2023 to August 9, 2023.

On July 7, 2023, the Company issued an unsecured promissory note (the “July Working Capital Note”) in the amount of \$100,000 to the Sponsor, in exchange for the Sponsor depositing such amounts in the Company’s working capital account, in order to provide the Company with additional working capital. The July Working Capital Note does not bear interest, and matures (subject to the waiver against trust provisions) upon the earlier of (i) two (2) days following the date on which the Company’s initial business combination is consummated and (ii) the date of the liquidation of the Company.

On July 31, 2023, the Company issued an unsecured promissory note to the Sponsor, with a principal amount equal to \$810,000 (the “July 2023 Extension Note”). The July 2023 Extension Note bears no interest and is repayable in full (subject to amendment or waiver) upon the earlier of (a) the date of the consummation of our initial business combination, or (b) the date of our liquidation. Advances under the July 2023 Extension Note are for the purpose of Extension Payments and repaying the Sponsor or any other person with respect to funds loaned to the Company for the purpose of paying Extension Payments. On July 31, 2023, pursuant to the July 2023 Extension Note, the Company delivered to the Sponsor a written request to draw down \$135,000 for the seventh month of the Extension. Upon this written request, the Sponsor deposited \$135,000 to the Company’s Trust Account on July 31, 2023 in order to extend the Combination Period by one (1) month from August 9, 2023 to September 9, 2023.

September 2023 Notes

On September 1, 2023, pursuant to the July 2023 Extension Note, the Company delivered to the Sponsor a written request to draw down \$135,000 for the eighth month of the Extension. Upon this written request, the Sponsor deposited \$135,000 to the Company's Trust Account on September 1, 2023 in order to extend the Combination Period by one (1) month from September 9, 2023 to October 9, 2023.

On September 1, 2023, the Company issued an unsecured promissory note (the "September Working Capital Note") in the amount of \$50,000 to the Sponsor, in exchange for the Sponsor depositing such amounts in the Company's working capital account, in order to provide the Company with additional working capital. The September Working Capital Note does not bear interest, and matures (subject to the waiver against trust provisions) upon the earlier of (i) two (2) days following the date on which the Company's initial business combination is consummated and (ii) the date of the liquidation of the Company.

October 2023 Notes

On October 2, 2023, pursuant to the July Extension Note, the Company delivered to the Sponsor a written request to draw down \$135,000 for the ninth month of the Extension. Upon this written request, the Sponsor deposited \$135,000 to the Company's Trust Account on October 2, 2023 in order to extend the Combination Period by one (1) month from October 9, 2023 to November 9, 2023.

On October 24, 2023, the Company issued an unsecured promissory note (the "October Working Capital Note") in the amount of \$75,000 to the Sponsor, in exchange for the Sponsor depositing such amounts in the Company's working capital account, in order to provide the Company with additional working capital. The October Working Capital Note does not bear interest, and matures (subject to the waiver against trust provisions) upon the earlier of (i) two (2) days following the date on which the Company's initial business combination is consummated and (ii) the date of the liquidation of the Company.

November 2023 Notes

On November 2, 2023, pursuant to the July Extension Note, the Company delivered to the Sponsor a written request to draw down \$135,000 for the tenth month of the Extension. Upon this written request, the Sponsor deposited \$135,000 to the Company's Trust Account on November 3, 2023 in order to extend the Combination Period by one (1) month from November 9, 2023 to December 9, 2023.

December 2023 Notes

On December 5, 2023, pursuant to the July Extension Note, the Company delivered to the Sponsor a written request to draw down \$135,000 for the eleventh month of the Extension. Upon this written request, the Sponsor deposited \$135,000 to the Company's Trust Account on December 5, 2023 in order to extend the Combination Period by one (1) month from December 9, 2023 to January 9, 2024.

The aggregate principal amount of the extension and working capital notes issued by ATAK to the Sponsor from February 2023 to November 2023 is equal to \$2,401,500.

Contractual obligations

We do not have any long-term debt, capital lease obligations, operating lease obligations or long-term liabilities, other than an agreement to pay the Sponsor a monthly fee of \$10,000 for office space, utilities and secretarial and administrative support. We began incurring these fees on February 9, 2022 and will continued to incur these fees monthly until the completion of the initial business combination on February 7, 2024.

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Underwriting Agreement

The underwriter of the IPO is entitled to a deferred discount of \$0.35 per Unit, or \$7,070,000 in the aggregate. The deferred discount will become payable to the underwriter from the amounts held in the Trust Account solely in the event that we complete a Business Combination, subject to the terms of the underwriting agreement.

Promissory Notes – Related Party

On February 8, 2023, the Company issued and drew fully against a promissory note in the amount of \$90,000 to fund working capital needs (the “First Working Capital Note”). Additionally, on February 8, 2023, the Company issued a promissory note in the amount of \$135,000 to fund the Company’s first extension payment (the “First Extension Note”), which has not been drawn against. On March 3, 2023, the Company issued a promissory note in the amount of \$810,000 to pay for up to six additional one-month extension payments (the “Second Extension Note”). On each of March 7, 2023, April 6, 2023, May 5, 2023, June 2, 2023, and July 5, 2023, the Company drew \$135,000, \$675,000 in the aggregate, against the Second Extension Note to pay for each additional one-month extension. On April 6, 2023, the Company issued and drew fully against a promissory note in the amount of \$100,000 to fund working capital needs (the “Second Working Capital Note”). On May 2, 2023, the Company issued and drew fully against a promissory note in the amount of \$100,000 to fund working capital needs (the “Third Working Capital Note”). On June 14, 2023, the Company issued and drew fully against a promissory note in the amount of \$20,000 to fund working capital needs (the “Fourth Working Capital Note”). On July 7, 2023, the Company issued and subsequently on July 10, 2023, drew fully against a promissory note in the amount of \$100,000 to fund working capital needs (the “Fifth Working Capital Note”). On July 31, 2023, the Company issued a promissory note in the amount of \$810,000 to pay for up to six additional one-month extension payments (the “Third Extension Note”). On each of July 31, 2023, September 1, 2023, October 2, 2023, November 2, 2023, and December 5, 2023, the Company drew \$135,000, \$675,000 in the aggregate, against the Third Extension Note to pay for each additional one-month extension. On September 1, 2023, the Company issued and drew fully against a promissory note in the amount of \$50,000 to fund working capital needs (the “Sixth Working Capital Note”). On October 24, 2023, the Company issued and drew fully against a promissory note in the amount of \$75,000 to fund working capital needs (the “Seventh Working Capital Note”). On November 17, 2023, the Company issued and drew fully against a promissory note in the amount of \$50,000 to fund working capital needs (the “Eighth Working Capital Note”). On November 21, 2023, the Company issued and drew fully against a promissory note in the amount of \$25,000 to fund working capital needs (the “Ninth Working Capital Note”). On December 8, 2023, the Company issued and drew fully against a promissory note in the amount of \$36,500 to fund working capital needs (the “Tenth Working Capital Note” and together with the First Working Capital Note, the Second Working Capital Note, the Third Working Capital Note, the Fourth Working Capital Note, the Fifth Working Capital Note, the Sixth Working Capital Note, the Seventh Working Capital Note, the Eighth Working Capital Note, and the Ninth Working Capital Note, collectively, the “Working Capital Notes”).

The First Extension Note does not bear interest, and matures (subject to the waiver against trust provisions) upon the earlier of (i) two (2) days following the date on which the Company’s initial business combination is consummated or liquidation and (ii) August 31, 2023. The Company did not draw funds against the First Extension Note. The Second Extension Note bears no interest and is repayable in full (subject to amendment or waiver) upon the earlier of (i) the date of the consummation of the Company’s initial business combination, or (ii) the date of the Company’s liquidation. The Third Extension Note bears no interest and is repayable in full (subject to amendment or waiver) upon the earlier of (i) the date of the consummation of the Company’s initial business combination, or (ii) the date of the Company’s liquidation. The Working Capital Notes do not bear interest, and mature (subject to the waiver against trust provisions) upon the earlier of (i) two (2) days following the date on which the Company’s initial business combination is consummated and (ii) the date of the liquidation of the Company.

As of December 31, 2023, there was \$646,500 and \$1,350,000 outstanding (\$1,996,500 in the aggregate) under the Working Capital Notes and Extension Notes, respectively.

Related Party

The due to related party balance consists of payables to the Sponsor for amounts paid on the Company’s behalf. As of December 31, 2023, the Company had a due to related party payable of \$55,662.

Critical Accounting Estimates

We prepare our financial statements in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements also requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ significantly from the estimates made by our management. We have identified the following critical accounting estimates:

Warrant Liabilities

We account for the warrants underlying the Units and the private placement warrants in accordance with the guidance contained in ASC 815 under which the public warrants and the private placement warrants do not meet the criteria for equity treatment and must be recorded as liabilities. Under ASC 815-40, the public warrants and the private placement warrants are not indexed to our ordinary shares in the manner contemplated by ASC 815-40 because the holder of the instrument is not an input into the pricing of a fixed-for-fixed option on equity shares. Accordingly, we classify the public warrants and the private placement warrants as liabilities at their fair value and adjust the public warrants and the private placement warrants to fair value at each reporting period. These liabilities are subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in our statement of operations. Subsequent to our initial public offering, the public warrant value is based on the public trading value. The Company utilized the Monte Carlo simulation model to value the private placement warrants as of December 31, 2023.

Class A Ordinary Shares Subject to Possible Redemption

The Company accounts for its Class A ordinary shares subject to possible redemption in accordance with the guidance in Accounting Standards Codification (“ASC”) Topic 480. Class A ordinary shares subject to mandatory redemption is classified as a liability instrument and is measured at fair value. Conditionally redeemable ordinary shares (including ordinary shares 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, Class A ordinary shares are classified as shareholders’ equity. Our Class A ordinary shares 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, Class A ordinary shares subject to possible redemption is presented at redemption value as temporary equity, outside of the shareholders’ equity section of the Company’s balance sheet.

Net Income per Ordinary Share

Net income per share is computed by dividing net income by the weighted average number of ordinary shares outstanding during the period. Ordinary shares subject to possible redemption at December 31, 2023, which are not currently redeemable and are not redeemable at fair value, have been excluded from the calculation of basic net income per ordinary share since such shares, if redeemed, only participate in their pro rata share of the trust account earnings. The Company has not considered the effect of the warrants sold in the initial public offering and the private placement to purchase an aggregate of 6,470,000 private placement warrants in the calculation of diluted income per share, since the exercise of the warrants is contingent upon the occurrence of future events and the inclusion of such warrants would be anti-dilutive. As a result, diluted net income per ordinary share is the same as basic net income per ordinary share for the periods presented.

The Company’s statement of operations includes a presentation of net income per ordinary share subject to possible redemption and allocates the net income into the two classes of shares in calculating net earnings per ordinary share, basic and diluted. For redeemable Class A ordinary shares, net earnings per ordinary share is calculated by dividing the net loss by the weighted average number of Class A ordinary shares subject to possible redemption outstanding since original issuance. For non-redeemable Class A ordinary shares, net income per share is calculated by dividing the net income by the weighted average number of non-redeemable Class A ordinary shares outstanding for the period. Nonredeemable Class A ordinary shares include the representative shares issued to Maxim at the closing of the initial public offering. For non-redeemable Class B ordinary shares, net earnings per share is calculated by dividing the net loss by the weighted average number of nonredeemable Class B ordinary shares outstanding for the period. Non-redeemable Class B ordinary shares include the founder shares as these shares do not have any redemption features and do not participate in the income earned on the trust account.

Recent Accounting Standards

This information appears in Note 2 to the financial statements that discloses recent accounting pronouncements and is included herein by reference.

JOBS Act

The JOBS Act contains provisions that, among other things, relax certain reporting requirements for qualifying public companies. We will qualify as an “emerging growth company” and under the JOBS Act will be allowed to comply with new or revised accounting pronouncements based on the effective date for private (not publicly traded) companies. We are electing to delay the adoption of new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates. Additionally, we are in the process of evaluating the benefits of relying on the other reduced reporting requirements provided by the JOBS Act. Subject to certain conditions set forth in the JOBS Act, if, as an “emerging growth company,” we choose to rely on such exemptions we may not be required to, among other things, (i) provide an auditor’s attestation report on our system of internal controls over financial reporting pursuant to Section 404, (ii) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd-Frank Wall Street Reform and Consumer Protection Act, (iii) comply with any requirement that may be adopted by the PCAOB regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements (auditor discussion and analysis) and (iv) disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the chief executive officer’s compensation to median employee compensation. These exemptions will apply for a period of five years following the completion of our initial public offering or until we are no longer an “emerging growth company,” whichever is earlier.

Inflation

During the year ended December 31, 2023, inflation has had a negative impact on our business globally. Specifically, our ability to access components and parts needed in order to manufacture our equipment, and to perform quality testing have been, and continue to be, impacted. If either the Company or any of the third-parties in the supply chain for materials used in our manufacturing and assembly processes continue to be adversely impacted, our supply chain may be further disrupted, limiting its ability to manufacture and assemble products. In addition, the eventual implications of higher government deficits and debt, tighter monetary policies and potentially higher, long-term interest rates may drive a higher cost of raising capital in the future.

Climate Change

Our opinion is that neither climate change, nor governmental regulations related to climate change, have had, or are expected to have, any material negative effect on our operations. However, the cost of compliance with more stringent environmental regulations, failure to comply with existing or future regulations or failure to otherwise manage the risks of climate change effectively could have a material adverse effect on our business. Many aspects of our operations are subject to evolving and increasingly stringent federal, state, local and international laws governing environmental protection. Compliance with existing and future environmental laws and regulations could require capital investment and increase operational costs, and violations can lead to significant fines and penalties and reputational harm. The ultimate impact and associated cost to our Company of these legislative and regulatory developments cannot be predicted at this time.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a “smaller reporting company” as defined by Item 10 of Regulation S-K, we are not required to provide information required by this Item.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

This information appears following Item 15 of this Annual Report and is incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On March 12, 2024, the Audit Committee of the Board of Directors dismissed Marcum LLP (“Marcum”) as the Company’s independent registered public accounting firm. Marcum had served as the Company’s independent registered public accounting firm from May 2, 2022 through March 12, 2024. Marcum will continue to provide certain services to the Company in connection with the completion of the audit of the financial statements of ATAK through December 31, 2023. Marcum had served as the Company’s independent registered public accounting firm up to the completion of the Company’s Business Combination.

Marcum’s audit reports on the Company’s financial statements as of and for the year ended December 31, 2022 did not contain an adverse opinion or a disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles, other than an explanatory paragraph regarding the substantial doubt about the Company’s ability to continue as a going concern.

During the fiscal year ended December 31, 2022 and the subsequent interim period through March 12, 2024: (1) there were no “disagreements” (as defined in Item 304(a)(1)(iv) of Regulation S-K) with Marcum on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Marcum, would have caused Marcum to make reference to the subject matter of such disagreements in connection with its reports on the financial statements for such periods and (2) there were no “reportable events” (as defined in Item 304(a)(1)(v) of Regulation S-K), except for the disclosure of the material weakness in the Company’s internal control over financial reporting as disclosed in Part II, Item 9A of the Company’s Annual Report on Form 10-K for the year ended December 31, 2022.

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On March 12, 2024, the Audit Committee engaged BDO AG (“BDO”) as its new independent registered public accounting firm. The Company has authorized Marcum to respond fully to the inquiries of BDO, as the successor independent registered accounting firm.

BDO had served as independent registered public accounting firm for DIH Holding US, Inc., a Nevada corporation up through the completion of the Business Combination. During the two most recent fiscal years and the subsequent interim period through March 12, 2024, the Company did not consult with BDO with respect to (i) the application of accounting principles to a specified transaction, either completed or proposed, the type of audit opinion that might be rendered on the Company’s financial statements, and neither a written report nor oral advice was provided to the Company that BDO concluded was an important factor considered by the Company in reaching a decision as to any accounting, auditing or financial reporting issue, or (ii) any matter that was either the subject of a disagreement (as that term is defined 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).

ITEM 9A. CONTROL AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

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

Under the supervision and with the participation of our management, including our Chief Executive Officer and the Company’s Chief Financial Officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the fiscal year ended December 31, 2023. Based on this evaluation, our principal executive officer and principal financial and accounting officer have concluded that during the period covered by this report, our disclosure controls and procedures were not effective due to material weaknesses in our internal controls over financial reporting, specifically those surrounding accrued expenses, accounting for complex financial instruments, inappropriate segregation of duties around the Company’s financial reporting, and insufficient management review around the Company’s financial reporting, including related parties. In light of the material weakness, we performed additional analysis as deemed necessary to ensure that our financial statements were prepared in accordance with U.S. generally accepted accounting principles. Accordingly, management believes that the financial statements included in this Annual Report present fairly in all material respects our financial position, results of operations and cash flows for the periods presented.

Management’s Report on Internal Controls Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America. Our internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles in the United States of America, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company’s assets that could have a material effect on the financial statements.

Any system of internal control, no matter how well designed, has inherent limitations, including the possibility that a control can be circumvented or overridden and misstatements due to error or fraud may occur and not be detected in a timely manner. Also, because of changes in conditions, internal control effectiveness may vary over time. Accordingly, even an effective system of internal control will provide only reasonable assurance with respect to financial statement preparation.

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Management assessed the effectiveness of our internal control over financial reporting as of December 31, 2023. In making this assessment, management used the criteria set forth in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) in “Internal Control-Integrated Framework.” Based on management’s assessment using the COSO criteria, management has concluded that our internal control over financial reporting was not effective as of December 31, 2023 as a result of the material weaknesses in internal control over financial reporting described above.

This Annual Report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management’s report was not subject to attestation by our registered public accounting firm pursuant to the rules of the SEC that permit us to provide only management’s report in this Annual Report.

Remediation Activities

Following the determination of the material weakness, we implemented a remediation plan to enhance our processes for identifying and appropriately applying applicable accounting requirements for complex financial instruments. We plan to continue to enhance our review procedures of evaluating and implementing the accounting standards that apply to our financial statements, including through additional analyses by our personnel and third-party professionals with whom we consult regarding complex financial instruments. The elements of our remediation plan can only be accomplished over time, and we can offer no assurance that these initiatives will ultimately have the intended effects.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting, as defined in Rules 13a-15(t) and 15d-15(f) under the Exchange Act, during the year ended December 31, 2023, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Insider Trading Plan

During the year ended December 31, 2023, no director or officer of the Company adopted or terminated a “Rule 10-b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not Applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Directors and Executive Officers

Our current directors and executive officers are as follows:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Executive Officers:		
Jason Chen	54	Chairman and Chief Executive Officer; Director
Lynden Bass	40	Chief Financial Officer
Dr. Patrick Bruno	55	Chief Marketing Officer; Director
Class I Directors:		
Jason Chen	54	Chairman and Chief Executive Officer; Director
Lynden Bass	40	Chief Financial Officer
Dr. Patrick Bruno	55	Chief Marketing Officer; Director
Class II Directors:		
Max Baucus	82	Director
F. Samuel Eberts III	64	Director
Class III Directors:		
Ken Ludlum	70	Director
Cathryn Chen	35	Director

Jason Chen. Mr. Chen is the Founder, Chairman and CEO of DIH, a position he has held since September 2014. Before founding DIH, Mr. Chen served as the Senior Vice President and Managing Director of Global Sourcing of Cardinal Health, a Fortune 50 company. At Cardinal, Mr. Chen led its Global-wide strategic sourcing strategy as well as its Asia-wide business and operation as its Asia President. Mr. Chen's other international experience include serving as Chief Financial Officer of GE Healthcare N.A. Services; Chief Financial Officer of GE CSI; General Manager of GE Healthcare Greater China Sourcing and Operations; and Business Development Manager at GE Corporate BD Group. Mr. Chen earned an Executive Masters degree (EMBA) from the Kellogg School of Business, Northwestern University in the United States; an MBA in Corporate Finance from CEIBS in China, and a post-graduate fellowship at London Business School in Britain. We believe Mr. Chen's extensive healthcare background, in particular as founder of DIH, makes him a valuable member of our board.

Lynden Bass. Ms. Bass has served as Chief Financial Officer of DIH since March 2023. Previously, she assisted DIH on an outside consultant basis from January 2023 to officially joining DIH. From September 2019 through September 2022, Ms. Bass served as Vice President and Controller for Rather Outdoors Corporation, a privately-owned wholesaler and manufacturer. From September 2016 through May 2019, Ms. Bass was Chief Financial Officer of NaturChem Inc. Prior to these roles, she served as the Corporate Controller for Preferred Apartment Communities, Inc. a publicly traded real estate investment trust and began her career within the audit and assurance practice at Deloitte & Touche LLP, out of Atlanta, Georgia office. Ms. Bass holds a BBA in Accounting from Harding University. She is a Certified Public Accountant, licensed in the State of Georgia. We believe Ms. Bass is a valuable member of our board due to her extensive financial reporting and public company experience.

Dr. Patrick Bruno. Dr. Bruno serves as Chief Marketing Officer for DIH in its Hospital & Clinical Solutions Division as well as a Site Leader for the Production site of Hocoma in Switzerland. He will also serve on the board of New DIH. Dr. Bruno joined DIH in June 2017 as its Global Vice President of Sales and also served as its Chief Commercial Officer before assuming his current position in December 2020. Prior to joining DIH, Dr. Bruno was the Integration Manager, General Manager and Sales Director at Qiagen where he led global key account and commercialization strategies. Before that, he was with Siemens Healthcare where he held the position of CEO, Switzerland and has also held the position of Head of Product Management at Roche Diagnostics. Dr. Bruno holds a BBA, GSBA Zürich (Switzerland), a Master in Microbiology from the University of Innsbruck (Austria) and a Ph.D. in Biology from the University of Bologna (Italy). We believe Dr. Bruno's extensive background with sales for DIH and similar companies makes him a valuable member of our board.

Max Baucus. Ambassador Baucus was nominated in 2014 by President Barack Obama to serve as Ambassador of the United States of America to the People’s Republic of China, a position he held until 2017. Ambassador Baucus formerly served as the senior United States Senator from Montana from 1978 to 2014 and was Montana’s longest serving U.S. Senator. While in the Senate, Ambassador Baucus was Chairman and Ranking Member of the Senate Committee on Finance (the “Finance Committee”). As chairman of the Finance Committee, he was the chief architect of the Affordable Health Care Act (ACA) which was signed by President Barack Obama into law March 23, 2009. In addition, as chairman of the Finance Committee, Ambassador Baucus led the passage and enactment of the Free Trade Agreements with 11 countries. While serving on the Senate Agriculture Committee, he led in securing reauthorization of numerous farm bills. As a member of the Committee on Environment and Public Works, he guided many highway bills and other infrastructure legislation to passage as well as leading the passage of The Clean Air Act of 1990. Before his election to the U.S. Senate, Ambassador Baucus represented Montana in the U.S. House of Representatives from 1975 to 1978. Ambassador Baucus earned a Bachelor’s and Juris Doctor degree from Stanford University. Ambassador Baucus currently has a consulting business, Baucus Group LLC, and advises several tech and bio tech companies as well as engaging in numerous public speaking engagements. He and his wife have also founded a public policy institute at the University of Montana School of Law, The Baucus Institute. We believe Ambassador Baucus’ extensive public service experience along with his consulting work for biotech companies makes him a valuable member of our board.

F. Samuel Eberts III. Sam Eberts is an accomplished senior executive and board member with over 25 years of success with Fortune 500 companies in health care, consumer, and industrial services. He chairs the Daerter Group, a venture firm in North Carolina and New York providing seed investment for promising start-ups in health care and IoT technology. He recently retired as the Chief Legal Officer, Corporate Secretary and Senior Vice President of Global Corporate Affairs for Laboratory Corporation of America® Holdings (NYSE: LH). At LabCorp, Eberts led the Global Corporate Affairs group, with enterprise-wide responsibility for the global Legal, Compliance, Corporate Secretary, Shareholder Services, Public Policy/Government Relations, Communications, Community Affairs/Philanthropy, Privacy and Security functions. Mr. Eberts serves on the Board of Trustees for Endicott College in Beverly, Mass. and the Alamance Community College Foundation in Graham, N.C. He is the past Chair of Easter Seals/UCP of North Carolina and Virginia. Eberts serves on the advisory boards for the Woodrow Wilson Center for International Scholars in Washington, D.C. and the World Policy Institute in New York, non-partisan think tanks for global policy analysis. Previously, he was a partner and served on the Board and the Investment Committee for MedCap Funds in Boston, Mass., an early-stage health care technology fund and Alpha Marketing in Raleigh, a channel marketing firm. Eberts has served on the Health Care Policy Leadership Council at Harvard University’s Kennedy School and presently serves on the Corporate Governance Forum at Harvard Law School. He is a member of the Council for Entrepreneurial Development, one of the largest entrepreneurial networks in the United States and is an active mentor working with entrepreneurs providing practical, day-to-day professional advice and coaching. Mr. Eberts is a frequent speaker on healthcare and leadership and has served as a guest lecturer at Harvard University’s Kennedy School of Government, Duke and Wake Forest University Schools of Law, Baylor University School of Medicine and the University of Minnesota’s Carlson School of Management. He has also served as an Adjunct Associate Professor at the University of Texas School of Public Health, Division of Management, Policy and Community Health. We believe Mr. Eberts’ extensive legal experience with healthcare-related public companies makes him a valuable member of our board.

Ken Ludlum. Ken Ludlum is a board member and advisor to medical technology and life sciences companies. He has served on a dozen board of directors, six of them publicly traded, and has been Audit Committee Chair for all the publicly traded ones. He has also led Compensation and Nominating and Governance committees and other ad hoc committees as well, and has served as Chairperson of the Board twice. At NATUS Medical (NASDAQ:BABY), a \$500 million revenue a year medical device and equipment company, he recently chaired the Audit and Compensation Committees. Ken also serves on the board and has led the Audit Committee at Personalis (NASDAQ:PSNL), a gene sequencing company, from when it was a private, venture backed company through its IPO. At IRIDEX (NASDAQ: IRDX), a laser ophthalmic company, Ken chairs the Audit and Nominating and Governance Committee and has served on other committees. And at Dermavant, a privately-owned, clinical stage biopharmaceutical company, he also chairs the Audit Committee and is on the Compensation Committee. Ken is a “qualified financial expert” under SEC rules and SOX regulations and has implemented SOX procedures and controls both as a board member and as a CFO. As Audit Committee Chair he has worked with all the major (and smaller) accounting firms, and as Compensation Committee Chair with several of the large compensation consultants. He is a member of the National Association of Corporate Directors and is familiar with activist activity, corporate governance matters and ISS and Glass Lewis guidelines. He holds a B. S. degree from Lehigh University and an MBA from Columbia Business School. Prior to 25 years in operating positions, Ken spent 10 years as an investment banker, primarily with Montgomery Securities. He has also worked at companies such as Revivant Corporation (Chairman, President & CEO) and Perclose, Inc. (CFO). At Montgomery Securities, he worked on the early financings for Amgen and took Genzyme public. With Revivant, a company that, with Dr. Thomas Fogarty, developed an automatic, hands free CPR device, he managed a successful sales launch, after which ZOLL Medical acquired the company. From 1996 – 2000, he was Chief Financial Officer at Perclose, an interventional cardiology company. During his five years at Perclose, sales grew from \$2 million to a rate of \$100 million a year, after which Abbott Laboratories purchased the company. Recently he served as CFO of CareDx, a molecular diagnostics company, where he led its initial public offering. Other previous companies he has been with have gone through initial public offerings, were acquired, or grew 10x in revenues and market value over the years. He has been a CFO of medical device, biotechnology and diagnostic companies. In addition to the above companies, Ken has served on the board of directors for Novacept Corporation, Thermage Corporation, AtheroMed (Chairman), Bridgeway Plan for Health and Kinetikos Medical, all companies that successfully developed and launched products and eventually were acquired by larger medical and healthcare organizations. He was also an Executive-in-Residence at a prominent VC firm. He has been a guest lecturer on entrepreneurship and growth company management at Stanford University, Columbia Business School and Lehigh University, and served as the first Executive-in-Residence at Lehigh College of Business & Economics. Ken has served on the board of The Hunters Point Boys & Girls Club and other non-profit organizations, and for four years served as the Head of the American Diabetes Association’s Annual Silicon Valley Luncheon Fund Raiser. We believe Mr. Ludlum’s financial and investment banking background and his public company experience make him a valuable member of our board.

Cathryn Chen. Since April 2023, Cathryn Chen has served as Chief Financial Officer and Co-Vice Chairwoman of the Board of Directors of Aurora Technology Acquisition Corp. Ms. Chen served as the Chief Operating Officer and Co-Vice Chairwoman of the Board of Directors of Aurora Technology Acquisition Corp. from August 2021 until April 2023. Ms. Chen is the Managing Director of MarketX Ventures, a venture capital firm focused on growth to stage technologies investments, and the Founder & CEO of MarketX Inc., a fintech company with the mission to revolutionize the private markets. Founded in March 2015, MarketX Inc. is backed by 12 technology founder & CEOs and has completed over \$250M in primary and secondary pre-IPO transactions. In 2020, she launched MarketX Ventures, a growth to late-stage focused venture fund, backed by technology executives such as the founders of Thrasio and Patreon. Prior to founding MarketX, Ms. Chen worked as an investment banker with prominent investment banks including Deutsche Bank, NM Rothschild, and JP Morgan in London, New York, and Hong Kong. During her investment banking career, Ms. Chen was involved with dozens of IPOs, M&As, and private placements including Alibaba, Omada Health, and Twitter. Since founding MarketX Ventures, Ms. Chen has worked with and is currently advising over 200 family offices globally. MarketX has invested in and transacted with a few dozen pre-IPO companies in the US, China, and Europe, with an aggregate market capitalization of over \$500 billion. Previously, Ms. Chen was also an early employee with EverString Technology (“EverString”), an ad-tech company backed by Sequoia Capital & Lightspeed Partners that was later sold to ZoomInfo. Ms. Chen is a nextgen member of the Committee of 100, a non-profit organization (Ma founded the Committee of 100 with I.M. Pei and several other distinguished Chinese Americans in 1989 to give Chinese Americans a strong voice in U.S.-China relations and Asian American affairs). In 2008, Ms. Chen co-founded MoneyThink LA, a 501(c)3 non-profit that provides financial education to urban high school students around the nation. Its parent company, MoneyThink, received the “Champions of change” award from then-President Barrack Obama in 2012. Ms. Chen received her Bachelor’s degree from UCLA and General Course, London School of Economics and Political Science. We believe Ms. Chen’s extensive finance and investment banking background make her a valuable member of our board.

Number and Terms of Office of Officers and Directors

We have eight directors. Our amended and restated memorandum and articles of association provide that the authorized number of directors may be changed only by resolution of the board of directors. Subject to the terms of any preference shares, any or all of the directors may be removed from office at any time, but only for cause and only by the affirmative vote of holders of a majority of the voting power of all then outstanding shares entitled to vote generally in the appointment of directors, voting together as a single class. Any vacancy on our board of directors, including a vacancy resulting from an enlargement of our board of directors, may be filled only by vote of a majority of our directors then in office.

Our officers are appointed by the board of directors and serve at the discretion of the board of directors, rather than for specific terms of office. Our board of directors is authorized to appoint persons to the offices set forth in our bylaws as it deems appropriate. Our memorandum and articles of association provide that our officers may consist of a Chairman of the Board, Chief Executive Officer, Chief Financial Officer, President, Vice Presidents, Secretary, Treasurer, Assistant Secretaries and such other offices as may be determined by the board of directors.

Director Independence

Nasdaq listing standards require that a majority of our board of directors be independent. An “independent director” is defined generally as a person other than an officer or employee of the company or its subsidiaries or any other individual having a relationship which in the opinion of the company’s board of directors, would interfere with the director’s exercise of independent judgment in carrying out the responsibilities of a director. Our board of directors has determined that Ken Ludlum, Max Baucus and Cathryn Chen are “independent directors” as defined in the Nasdaq listing standards and applicable SEC rules. Our independent directors will have regularly scheduled meetings at which only independent directors are present.

Committees of the Board of Directors

Our board of directors has three standing committees: an audit committee, a nominating and corporate governance committee (“nominating committee”) and a compensation committee. Subject to phase-in rules and a limited exception, Nasdaq rules and Rule 10A-3 of the Exchange Act require that the audit committee of a listed company be comprised solely of independent directors, and Nasdaq rules require that the compensation committee and nominating committee of a listed company be comprised solely of independent directors. Each of our committees is comprised entirely of independent directors.

Audit Committee

The standing committees of the Board consist of an Audit Committee, a Nominating and Compensation Committee and a Governance Committee.

New DIH’s audit committee consists of Ken Ludlum (Chair), Max Baucus and Cathryn Chen. The Board has determined that each member is independent under the Nasdaq listing standards and Rule 10A-3(b)(1) of the Exchange Act. The Board has determined that Ken Ludlum is an “audit committee financial expert” within the meaning of SEC regulations. The Board has also determined that each member of the audit committee has the requisite financial expertise required under the applicable Nasdaq requirements. In arriving at this determination, the board of directors has examined each audit committee member’s scope of experience and the nature of their employment in the corporate finance sector.

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

- selecting a qualified firm to serve as the independent registered public accounting firm to audit New DIH’s financial statements;
- helping to ensure the independence and performance of the independent registered public accounting firm;
- discussing the scope and results of the audit with the independent registered public accounting firm, and reviewing, with management and the independent accountants, our interim and year-end operating results;
- developing procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- reviewing policies on risk assessment and risk management;
- reviewing related party transactions;
- obtaining and reviewing a report by the independent registered public accounting firm at least annually, that describes New DIH’s internal quality-control procedures, any material issues with such procedures, and any steps taken to deal with such issues when required by applicable law; and

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- approving (or, as permitted, pre-approving) all audit and all permissible non-audit service to be performed by the independent registered public accounting firm.

New DIH's Nominating and Compensation Committee consists of Max Baucus (Chair), Ken Ludlum and Cathryn Chen. The Board has determined that each member is a "non-employee director" as defined in Rule 16b-3 promulgated under the Exchange Act and an "outside director" as that term is defined in Section 162(m) of the Internal Revenue Code of 1986, as amended. The Board has also determined that each member is independent under SEC regulations and Nasdaq listing standards. The primary purpose of the compensation committee is to discharge the responsibilities of the board of directors to oversee its compensation policies, plans and programs and to review and determine the compensation to be paid to its executive officers, directors and other senior management, as appropriate and to nominated candidates for the Board. Specific responsibilities of our nominating and compensation committee include:

- identifying, evaluating and selecting, or recommending that our Board approve, nominees for election to our Board;
- to oversee compensation policies, plans and programs and to review and determine the compensation to be paid to its executive officers, directors and other senior management, as appropriate.

Specific responsibilities of the compensation committee will include:

- reviewing and approving, or recommending that our Board approve, the compensation of our executive officers;
- reviewing and recommending to our Board the compensation of our directors;
- reviewing and approving, or recommending that our Board approve, the terms of compensatory arrangements with our executive officers;
- administering our stock and equity incentive plans;
- selecting independent compensation consultants and assessing whether there are any conflicts of interest with any of the committee's compensation advisors;
- reviewing and approving, or recommending that our Board approve, incentive compensation and equity plans, severance agreements, change-of-control protections and any other compensatory arrangements for our executive officers and other senior management, as appropriate;
- reviewing and establishing general policies relating to compensation and benefits of our employees; and
- reviewing our overall compensation philosophy.

New DIH's Governance Committee consists of F. Samuel Eberts III (Chair), and Cathryn Chen. The Board has determined each member is independent under the Nasdaq listing standards. The primary purpose of the governance committee is:

- evaluating the performance of our Board and of individual directors
- reviewing developments in corporate governance practices;
- evaluating the adequacy of our corporate governance practices and reporting
- reviewing management succession plans;
- developing and making recommendations to our Board regarding corporate governance guidelines and matters.

Compensation Committee Interlocks and Insider Participation

None of our officers currently serves, or in the past year has served, as a member of the compensation committee of any entity that has one or more officers serving on our board of directors.

Code of Ethics

In connection with the Closing, New DIH adopted a new Code of Ethics which is included as Exhibit 14 to this Annual Report. In addition, we will provide a copy of the Code of Ethics without charge upon written request to us.

Conflicts of Interest

- None of our officers or directors is required to commit his or her full time to our affairs and, accordingly, may have conflicts of interest in allocating his or her time among various business activities.
- In the course of their other business activities, our officers and directors may become aware of investment and business opportunities which may be appropriate for presentation to us as well as the other entities with which they are affiliated. Our management may have conflicts of interest in determining to which entity a particular business opportunity should be presented.
- Our initial shareholders have agreed to waive their redemption rights with respect to any founder shares and any public shares held by them in connection with the consummation of our initial business combination.

The conflicts described above may not be resolved in our favor.

Accordingly, if any of the above executive officers or directors becomes aware of a business combination opportunity which is suitable for any of the above entities to which he or she has current fiduciary or contractual obligations, he or she will honor his or her fiduciary or contractual obligations to present such business combination opportunity to such entity, and only present it to us if such entity rejects the opportunity.

We are not prohibited from pursuing an initial business combination with a company that is affiliated with our Sponsor, officers or directors. In the event we seek to complete our initial business combination with such a company, we, or a committee of independent directors, would obtain an opinion from an independent investment banking firm which is a member of FINRA, or from an independent accounting firm, that such an initial business combination is fair to our company from a financial point of view.

In the event that we submit our initial business combination to our public shareholders for a vote, our Sponsor, officers and directors have agreed, pursuant to the letter agreement, to vote any founder shares held by them and any public shares purchased during or after the IPO (including in open market and privately negotiated transactions) in favor of our initial business combination.

Limitation on Liability and Indemnification of Officers and Directors

We entered into agreements with our officers and directors to provide contractual indemnification in addition to the indemnification provided for in our amended and restated memorandum and articles of association. We purchased a policy of directors' and officers' liability insurance that insures our officers and directors against the cost of defense, settlement or payment of a judgment in some circumstances and insures us against our obligations to indemnify our officers and directors. Except with respect to any public shares they may acquire in the IPO or thereafter (in the event we do not consummate an initial business combination), our officers and directors have agreed to waive (and any other persons who may become an combination), our officers and directors have agreed to waive (and any other persons who may become an officer or director prior to the initial business combination will also be required to waive) any right, title, interest or claim of any kind in or to any monies in the trust account, and not to seek recourse against the trust account for any reason whatsoever, including with respect to such indemnification.

These agreements may discourage shareholders from bringing a lawsuit against our directors for breach of their fiduciary duty or have the effect of reducing the likelihood of derivative litigation against officers and directors, even though such an action, if successful, might otherwise benefit us and our shareholders. Furthermore, a shareholder's investment may be adversely affected to the extent we pay the costs of settlement and damage awards against officers and directors pursuant to these indemnification provisions.

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We believe that these indemnity agreements and the directors' and officers' liability insurance are necessary to attract and retain talented and experienced officers and directors.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our officers, directors, and persons who own more than ten percent of a registered class of our equity securities to file reports of ownership and changes in ownership with the Securities and Exchange Commission. Officers, directors, and ten percent stockholders are required by regulation to furnish us with copies of all Section 16(a) forms they file. Based solely on copies of such forms received or written representations from certain reporting persons that no Form 5s were required for those persons, we believe that, during the fiscal year ended December 31, 2023, all filing requirements applicable to our officers, directors, and greater than ten percent beneficial owners were complied with.

ITEM 11. EXECUTIVE COMPENSATION

Executive Compensation

Officer and Director Compensation

Prior to the consummation of the Business Combination, none of the executive officers or directors of ATAK received any cash compensation for services rendered. The Sponsor, executive officers, directors and their respective affiliates were reimbursed for any out-of-pocket expenses related to identifying, investigating, negotiating and completing an initial business combination. The named executive officers of New DIH, Jason Chen, Chief Executive Officer, Lynden Bass Chief Financial Officer and Patrick Bruno, Chief Marketing Officer were appointed after the end of the fiscal year ended December 31, 2023. Compensation for New DIH's directors and executive officers before the consummation of the Business Combination is described in the Proxy Statement/Prospectus in the sections entitled "*Executive And Director Compensation*."

Executive Officer Letters

Each of the current named executive officers has entered into an offer letter agreement with DIH. The employment of each officer is "at will" and the agreement may be terminated by either party, with or without cause, without the payment of any severance.

Pursuant to Mr. Chen's offer letter, Mr. Chen is entitled to an initial annual base salary of \$380,000. Mr. Chen is also eligible for a performance-based cash bonus of up to \$190,000, the exact amount of which will be determined by DIH's board of directors based on a review of his performance for the year ended March 31, 2023.

Pursuant to Ms. Bass's offer letter, Ms. Bass is entitled to an initial annual base salary of \$280,000. Ms. Bass is also eligible for a performance-based cash bonus of up to \$140,000, the exact amount of which will be determined by DIH's board of directors based on a review of her performance for the year ended March 31, 2023.

Pursuant to Mr. Bruno's offer letter, Mr. Bruno is entitled to an initial annual base salary of \$348,040. Mr. Bruno is also eligible for a performance-based cash bonus of up to \$174,000, the exact amount of which will be determined by DIH's board of directors based on a review of his performance for the year ended March 31, 2023.

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ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED SHAREHOLDER MATTERS

The following table sets forth certain information regarding beneficial ownership of our Class A Common Stock as of the Closing Date by (i) each person (or group of affiliated persons) who is known by us to own more than five percent of the outstanding shares of our Class A Common Stock, (ii) each director and executive officer, and (iii) all of our directors and executive officers as a group.

Beneficial ownership is determined in accordance with SEC rules and generally includes voting or investment power with respect to securities. Unless otherwise noted, the address of each stockholder listed below is c/o DIH Holding US, Inc. 77 Accord Park Drive; Suite D-1, Norwell, MA.

Name and Address of Beneficial Owner	Shares Owned	Percentage Ownership
Directors and Executive Officers		
Jason Chen ⁽¹⁾	14,085,241	34.7
Lynden Bass	—	—
Dr. Patrick Bruno	—	—
Max Baucus	—	—
F. Samuel Eberts III	—	—
Ken Ludlum	—	—
Cathryn Chen ⁽²⁾	4,885,173	12.0
All Directors and Executive Officers as a Group (7 Persons)	18,970,414	46.8
5% or Greater Stockholders		
DIH Technology Ltd. ⁽¹⁾⁽³⁾	14,085,241	34.7
ATAC Sponsor LLC ⁽²⁾⁽⁴⁾	4,885,173	12.0

* Less than 1%

- (1) Jason Chen does not own any shares of DIH directly but may be deemed to have indirect ownership of DIH through his ownership of approximately 42% of the outstanding shares of DIH Technology Ltd. He does not have voting or dispositive power over the shares of DIH owned by DIH Technology Ltd. As a result of the completion of the Business Combination, he continues to have an indirect ownership of shares of New DIH through his ownership of DIH Technology Ltd. but does not have voting or dispositive power over such shares.
- (2) ATAC Sponsor LLC (the "Sponsor") is the record holder of the shares reported herein. Zachary Wang, Cathryn Chen and Yida Gao are managing members of the Sponsor. Consequently, Cathryn Chen may be deemed the beneficial owner of the shares held by the Sponsor and have voting and dispositive control over such securities. Ms. Chen disclaims beneficial ownership of any shares other than to the extent she may have a pecuniary interest therein, directly or indirectly.
- (3) The business address for DIH Technology Ltd is P.O. Box 61, 3rd Floor Harbour Centre, North Church Street, Grand Cayman, KY1-1102, Cayman Islands.
- (4) The business address for the Sponsor is 4 Embarcadero Center, Suite 1449, San Francisco, CA 94105.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Transactions Prior to or in Connection with Initial Public Offering

On August 7, 2021, we issued an aggregate of 5,750,000 founder shares to our Sponsor for an aggregate purchase price of \$25,000 in cash, or approximately \$0.0043 per share. The number of founder shares issued was determined based on the expectation that such founder shares would represent 20% of the outstanding ordinary shares upon completion of this offering (not including the 300,000 representative shares (or 345,000 representative shares if the underwriters' over-allotment option is exercised in full). The founder shares (including the Class A ordinary shares issuable upon conversion thereof) may not, subject to certain limited exceptions, be transferred, assigned or sold by the holder.

Simultaneously with the consummation of the IPO, the Company consummated the private placement ("Private Placement") of an aggregate of 6,470,000 warrants ("Private Warrants"), at a price of \$1.00 per Private Warrant, generating gross proceeds of \$6,470,000. The Private Warrants are identical to the Public Warrants sold in the IPO as part of the Units, except that the Private Warrants are non-redeemable and may be exercised on a cashless basis, in each case so long as they continue to be held by the Sponsor or the Sponsor's permitted transferees. The Sponsor has agreed not to transfer, assign or sell any of the Private Warrants purchased in the Private Placement (and the securities underlying the Private Warrants), except to certain permitted transferees, until 30 days after the consummation of the Company's initial business combination. The issuance of the Private Warrants was made pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act.

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We have entered into with an affiliate of our Sponsor, by which we pay a total of \$10,000 per month for office space, utilities and secretarial and administrative support. Upon completion of our initial business combination or our liquidation, we will cease paying these monthly fees.

In addition, in order to finance transaction costs in connection with an intended initial business combination, our sponsor or an affiliate of our sponsor or certain of our officers and directors may, but are not obligated to, loan us funds as may be required. If we complete an initial business combination, we would repay such loaned amounts. In the event that the initial business combination does not close, we may use a portion of the working capital held outside the trust account to repay such loaned amounts but no proceeds from our trust account would be used for such repayment. Up to \$1,500,000 of such working capital loans may be convertible into private placement-equivalent warrants at a price of \$1.00 per warrant (which, for example, would result in the holders being issued warrants to purchase 1,500,000 Class A ordinary shares if \$1,500,000 of notes were so converted), at the option of the lender.

Such warrants would be identical to the private placement warrants, including as to exercise price, exercisability and exercise period. The terms of such working capital loans by our sponsor or its affiliates, or our officers and directors, if any, have not been determined and no written agreements exist with respect to such loans. We do not expect to seek loans from parties other than our sponsor or an affiliate of our sponsor as we do 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 our trust account.

We have entered into a registration rights agreement with respect to the Private Placement Warrants, the securities issuable upon conversion of working capital loans (if any) and the Class A ordinary shares issuable upon exercise or conversion or exercise of the foregoing and upon conversion of the founder shares.

We have entered into customary indemnity agreements with our executive officers and directors. See “Limitation on Liability and Indemnification of Officers and Directors” for more information

Transactions Following Initial Public Offering

We entered into three promissory notes with our Sponsor for the purpose of extending the Combination Period and receipt of additional working capital. See “Extension of Combination Period” for more information.

Director Independence

Nasdaq listing rules require that a majority of the board of directors of a company listed on Nasdaq be composed of “independent directors,” which is defined generally as a person other than an officer or employee of the company or its subsidiaries or any other individual having a relationship, which, in the opinion of New DIH’s board of directors, would interfere with the director’s exercise of independent judgment in carrying out the responsibilities of a director. The Board has determined that each of Max Baucus, F. Samuel Ebertts, III, Ken Ludlum, and Cathryn Chen will be an independent director under the Nasdaq listing rules and independent under Rule 10A-3 of the Exchange Act. In making these determinations, the Board considered the current and prior relationships that each non-employee director has or has had with DIH and ATAK and all other facts and circumstances the Board deemed relevant in determining independence.

Director and Executive Compensation

Compensation for New DIH’s directors and executive officers before the consummation of the Business Combination is described in the Proxy Statement/Prospectus in the sections entitled “*Executive And Director Compensation*” beginning on page 201 and that information is incorporated herein by reference.

In connection with the Business Combination, ATAK shareholders approved the DIH Holding US, Inc. Equity Incentive Plan described in the Proxy Statement/Prospectus in the section entitled “*Proposal No. 6 — The Stock Incentive Plan Proposal*” beginning on page 122 and incorporated herein by reference. That summary of the Stock Incentive Plan does not purport to be complete and is qualified in its entirety by reference to the text of the Stock Incentive Plan, which is filed as Exhibit 10.1 and is incorporated herein by reference. The plan allows New DIH to make equity and equity-based incentive awards, as well as cash awards, to employees, directors and consultants.

Decisions with respect to the compensation of New DIH's executive officers will be made by the compensation committee of the Board.

Compensation Committee Interlocks and Insider Participation

None of our executive officers serves as a member of the board of directors or compensation committee (or other committee performing equivalent functions) of any entity that has one or more executive officers serving on our board of directors or compensation committee.

Certain Relationships and Related Transactions

DIH Related Party Transactions

Parties are considered related to DIH if the parties, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with DIH. Related parties also include principal owners of DIH, its management, members of the immediate families of principal owners of DIH and its management and other parties with which DIH may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. DIH discloses all related party transactions.

Transactions with DIH

DIH has not historically operated as a standalone business and has had various transactional relationships with DIH Cayman, a company formed in the Cayman Islands ("**DIH Cayman**"). Consistent with the basis of presentation in DIH's financial statements presented elsewhere in the Proxy Statement/Prospectus, net parent company investment is primarily impacted by net funding provided by or distributed to DIH Cayman. For the years ended March 31, 2023 and 2022, the net transactions with parent were \$(115) and \$(179), respectively. Material activity impacting these balances were net loss contributing to accumulated deficit.

DIH Hong Kong

DIH Hong Kong is an investment holding company formed in the Hong Kong Special Administrative Region ("**DIH Hong Kong**"). DIH Hong Kong holds interests in DIH operating entities, which include Hocoma AG, a company formed in Switzerland ("**Hocoma**"), Motek ForceLink B.V, a company formed in the Netherlands ("**Motek**") and DIH China, a company formed in the People's Republic of China ("**DIH China**"). DIH Hong Kong does not have a management team or direct influence with any operating entities other than acting as shareholder of the entities listed.

Subsidiaries within DIH Hong Kong perform two lines of business including, smart pharmacy solutions and rehabilitation solutions. In the case of Motek, DIH China was Motek's authorized distributor in China before DIH Hong Kong acquired Motek in 2015. This distributor relationship and terms did not change after the acquisition. In the case of Hocoma, DIH China assumed the distribution agreements with third parties after DIH Hong Kong acquired Hocoma. The terms of the distribution agreements are the same with the third party distributor.

For the period ending March 31, 2023, amounts recognized in the combined statement of operations include \$159 in revenue from related party transactions. For the period ending March 31, 2022, amounts recognized in the combined statement of operations include \$1,897 in revenue and \$514 in cost of sales from related party transactions

Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters

Our Class A Common Stock and Warrants began trading on the Nasdaq Stock Market LLC under the symbols "DHAI" and "DHAIW" respectively, on February 9, 2024. We have not paid any cash dividends on shares of our Class A Common Stock to date and do not intend to pay cash dividends. The payment of cash dividends 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 of directors. It is the present intention of our board of directors to retain all earnings, if any, for use in our business operations and, accordingly, our board of directors does not anticipate declaring any dividends in the foreseeable future.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

The following table sets forth the fees billed to us for professional services rendered by Marcum LLP for the years ended December 31, 2023 and 2022:

Services	2023	2022
Audit fees	\$ 282,719	88,065
Audit-related fees	—	—
Total fees	\$ 282,719	88,065

- (1) **Audit Fees** — Audit fees consist of fees billed for the audit of our annual financial statements and the review of the interim consolidated financial statements.
- (2) **Audit-Related Fees** — Audit-related services consist of fees billed for assurance and related services that are reasonably related to performance of the audit or review of our financial statements and are not reported under "Audit Fees."

On March 12, 2024, the Audit Committee of the Board of Directors dismissed Marcum LLP ("Marcum") as the Company's independent registered public accounting firm. Marcum had served as the Company's independent registered public accounting firm from May 2, 2022 through March 12, 2024. Marcum will continue to provide certain services to the Company in connection with the completion of the audit of the financial statements of Aurora Technology Acquisition Corp. through December 31, 2023. Marcum had served as the Company's independent registered public accounting firm up to the completion of the Business Combination.

On March 12, 2024, the Audit Committee engaged BDO AG ("BDO") as its new independent registered public accounting firm. The Company has authorized Marcum to respond fully to the inquiries of BDO, as the successor independent registered accounting firm.

BDO had served as independent registered public accounting firm for DIH Holding US, Inc., a Nevada corporation up through the completion of the Business Combination. During the two most recent fiscal years and the subsequent interim period through March 12, 2024, the Company did not consult with BDO with respect to (i) the application of accounting principles to a specified transaction, either completed or proposed, the type of audit opinion that might be rendered on the Company's financial statements, and neither a written report nor oral advice was provided to the Company that BDO concluded was an important factor considered by the Company in reaching a decision as to any accounting, auditing or financial reporting issue, or (ii) any matter that was either the subject of a disagreement (as that term is defined 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).

Tax Fees

We did not pay Marcum or BDO for tax planning and tax advice for the year ended December 31, 2023 and 2022.

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All Other Fees

We did not pay Marcum or BDO for other services for the year ended December 31, 2023 and 2022.

Pre-Approval Policy

In accordance with Section 10A(i) of the Exchange Act, before we engage our independent registered public accounting firm to render audit or non-audit services on a going-forward basis, the engagement will be approved by our audit committee.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENTS, AND SCHEDULES

(a) The following documents are filed as part of this report:

(1) Financial Statements:

(b) The following Exhibits are filed as part of this report:

<u>Exhibit No.</u>	<u>Description</u>
1.1	Underwriting Agreement dated February 7, 2022 between the Company and Maxim Group LLP, as representatives of the underwriters.*
2.1	Business Combination Agreement, dated as of February 26, 2023, by and among Aurora Technology Acquisition Corp., Aurora Technology Merger Sub Corp., and DIH Holding US, Inc. (incorporated by reference to Exhibit 2.1 of the registrant's Current Report on Form 8-K filed with the SEC on February 27, 2023).
2.2	Sponsor Support Agreement, dated as of February 26, 2023, by and among ATAC Sponsor LLC, a Delaware limited liability company, the other persons set forth on Schedule I thereto, Aurora Technology Acquisition Corp., a Cayman Islands exempted company, and DIH Holding US, Inc. (incorporated by reference to Annex F to definitive proxy statement/prospectus pursuant to Rule 424(b)(3), filed by the Aurora Technology Acquisition Corp. with the SEC on November 15, 2023).
2.3	Stockholder Support Agreement, dated as of February 26, 2023, by and among the persons set forth on Schedule I thereto, Aurora Technology Acquisition Corp., and DIH Holding US, Inc. (incorporated by reference to Annex G to definitive proxy statement/prospectus pursuant to Rule 424(b)(3), filed by the Aurora Technology Acquisition Corp. with the SEC on November 15, 2023).
2.4	Amended and Restated Registration Rights Agreement, dated as of February 7, 2024, by and among, (i) Aurora Technology Acquisition Corp., a Delaware corporation (formerly a Cayman Islands exempted company), (ii) ATAC Sponsor LLC, a Delaware limited liability company, (iii) Maxim Group LLC, (iv) the Sponsor equityholders as set forth on Exhibit A thereto, (v) certain equityholders designated on Exhibit B thereto and (vi) any other parties listed on the signature pages thereto and any other person or entity who thereafter becomes a party to the Agreement pursuant to Section 6.2 thereto.

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- 3.1 [Amended and Restated Memorandum and Articles of Association.*](#)
- 3.2 [Amendment No. 1 to Amended and Restated Memorandum and Articles of Association \(incorporated by reference to Exhibit 3.1 of the registrant's Current Report on Form 8-K filed with the SEC on February 6, 2023\)](#)
- 3.3. [Amended and Restated Certificate of Incorporation of DIH Holding US, Inc. filed with the Delaware Secretary of State on December February 7, 2024.](#)
- 3.4 [Amended and Restated Bylaws of DIH Holding US, Inc. \(incorporated by reference to Annex E to definitive proxy statement/prospectus pursuant to Rule 424\(b\)\(3\), filed by the Aurora Technology Acquisition Corp. with the SEC on November 15, 2023\).](#)
- 4.1 [Description of securities***](#)
- 4.2 [Specimen Unit Certificate.**](#)
- 4.3 [Specimen Ordinary Share Certificate.**](#)
- 4.4 [Specimen Warrant Certificate.**](#)
- 4.5 [Specimen Rights Certificate.**](#)
- 4.6 [Warrant Agreement dated February 7, 2022 between Continental Stock Transfer & Trust Company and the Company.*](#)
- 4.7 [Rights Agreement dated January 11, 2022 between Continental Stock Transfer & Trust Company and the Company.*](#)
- 10.1 [Investment Management Trust Agreement dated February 7, 2022 between Continental Stock Transfer & Trust Company and the Company.*](#)
- 10.2 [Amendment No. 1 to Investment Management Trust Agreement dated February 6, 2023 between Continental Stock Transfer & Trust Company and the Company \(incorporated by reference to Exhibit 10.1 of the registrant's Current Report on Form 8-K filed with the SEC on February 6, 2023\)](#)
- 10.3 [Registration Rights Agreement dated February 7, 2022 between the Company and certain security holders.*](#)
- 10.4 [Administrative Services Agreement dated February 7, 2022 between the Company and ATAC Sponsor LLC.*](#)
- 10.5 [Form of Indemnification Agreement*](#)
- 10.6 [Private Placement Warrants Purchase Agreement dated February 7, 2022 between the Company and ATAC Sponsor LLC.*](#)
- 10.7 [Letter Agreement dated February 7, 2022 by and among the Company, its officers, its directors and ATAC Sponsor LLC.*](#)
- 10.8 [Promissory Note dated August 7, 2021, issued to ATAC Sponsor LLC**](#)
- 10.9 [Subscription Agreement dated August 7, 2021, between the Registrant and ATAC Sponsor LLC**](#)
- 10.10 [Promissory Note to ATAC Sponsor LLC \(incorporated by reference to Exhibit 10.1 of the registrant's Current Report on Form 8-K filed with the SEC on February 8, 2023\).](#)
- 10.11 [Promissory Note to ATAC Sponsor LLC \(incorporated by reference to Exhibit 10.2 of the registrant's Current Report on Form 8-K filed with the SEC on February 8, 2023\).](#)
- 10.12 [Promissory Note to ATAC Sponsor LLC \(incorporated by reference to Exhibit 10.1 of the registrant's Current Report on Form 8-K filed with the SEC on March 9, 2023\).](#)
- 10.13 [Promissory Note to ATAC Sponsor LLC \(incorporated by reference to Exhibit 10.1 of the registrant's Current Report on Form 8-K filed with the SEC on April 7, 2023\).](#)
- 10.14 [Sponsor Support Agreement, dated February 26, 2023, by and among Aurora Technology Acquisition Corp., ATAC Sponsor LLC, and certain shareholders \(incorporated by reference to Exhibit 10.1 of the registrant's Current Report on Form 8-K filed with the SEC on February 27, 2023\).](#)

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10.15	<u>Stockholder Support Agreement, dated February 26, 2023, by and among Aurora Technology Acquisition Corp., DIH Holding US, Inc., Aurora Technology Acquisition Corp., and certain stockholders (incorporated by reference to Exhibit 10.2 of the registrant's Current Report on Form 8-K filed with the SEC on February 27, 2023).</u>
10.16	<u>Form of Amended and Restated Registration Rights Agreement (incorporated by reference to Exhibit 10.3 of the registrant's Current Report on Form 8-K filed with the SEC on February 27, 2023).</u>
10.17	<u>DIH Holding US, Inc. Equity Incentive Plan (incorporated by reference to Annex I to Form 424B3, filed by the Aurora Technology Acquisition Corp. with the SEC on November 15, 2023).</u>
14	<u>Code of Ethics. ***</u>
31.1	<u>Certification of Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.***</u>
31.2	<u>Certification of Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.***</u>
32.1	<u>Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.***</u>
32.2	<u>Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.***</u>
97.1***	<u>Clawback Policy</u>
97.2***	<u>Insider Trading Policy</u>
97.3***	<u>Whistleblower Policy</u>
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension 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)

* Incorporated by reference to the Company's Current Report on Form 8-K filed on February 8, 2022.

** Incorporated by reference to the Company's Registration Statement on Form S-1 (Registration No. 333-261753).

*** Filed herewith.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of the Section 13 or 15 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on the 20th day of May 2024.

DIH HOLDING US, INC.

By: /s/ Jason Chen

Name: Jason Chen

Title: Chief Executive Officer

(Duly Authorized Officer)

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AUDITED FINANCIAL STATEMENTS OF AURORA TECHNOLOGY ACQUISITION CORP. AS OF AND FOR THE YEARS ENDING
DECEMBER 31, 2023 AND 2022

DIH HOLDING US, INC. F/K/A AURORA TECHNOLOGY ACQUISITION CORP.
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
DIH Holdings US, Inc. F/K/A Aurora Technology Acquisition Corp.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of DIH Holdings US, Inc. F/K/A Aurora Technology Acquisition Corp.(the “Company”) as of December 31, 2023 and 2022, the related statements of income, shareholders’ 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. During 2023 and through the date of the business combination in February 2024, the Company had a significant working capital deficit, had incurred significant costs in pursuit of its financing and acquisition plans, and the possibility existed that the Company may have needed to raise additional capital through loans or additional investments from its Sponsor, shareholders, officers, directors, or third parties. These conditions raised substantial doubt about the Company’s ability to continue as a going concern. As more fully described in Note 1, the Company is currently assessing the combined entity’s ability to continue as a going concern. Until that assessment is complete, these conditions continue to raise substantial doubt about the Company’s ability to continue as a going concern. 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 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 provides a reasonable basis for our opinion.

/s/ Marcum LLP

Marcum LLP

We have served as the Company’s auditor since 2022.
New York, New York
April 29, 2024

**DIH HOLDING US, INC. F/K/A AURORA TECHNOLOGY ACQUISITION CORP.
CONSOLIDATED BALANCE SHEETS**

	December 31,	
	2023	2022
Assets:		
Current assets:		
Cash	\$ 12,355	\$ 191,103
Prepaid expenses	—	284,597
Total current assets	<u>12,355</u>	<u>475,700</u>
Non-current assets:		
Marketable securities held in Trust Account	58,648,639	206,879,903
Total non-current assets	<u>58,648,639</u>	<u>206,879,903</u>
Total Assets	<u>\$ 58,660,994</u>	<u>\$ 207,355,603</u>
Liabilities, Class A Ordinary Shares Subject to Possible Redemption and Shareholders' Deficit		
Current liabilities:		
Accounts payable	\$ 2,348,846	\$ 30,132
Accrued expenses	167,050	357,026
Accrued offering costs	50,000	50,000
Due to related party	55,662	—
Promissory note – related party	1,996,500	—
Total current liabilities	<u>4,618,058</u>	<u>437,158</u>
Non-current liabilities:		
Warrant liabilities	270,020	589,420
Deferred underwriter fee payable	7,070,000	7,070,000
Total non-current liabilities	<u>7,340,020</u>	<u>7,659,420</u>
Total Liabilities	<u>11,958,078</u>	<u>8,096,578</u>
Commitments and Contingencies (Note 8)		
Class A ordinary shares, \$0.0001 par value; 500,000,000 shares authorized; 5,307,292 and 20,200,000 shares subject to possible redemption issued and outstanding, at redemption value of \$11.05 and \$10.24 per share, as of December 31, 2023 and 2022, respectively	58,648,639	206,879,903
Shareholders' Deficit:		
Preference shares, \$0.0001 par value; 5,000,000 shares authorized; none issued and outstanding	—	—
Class A ordinary shares, \$0.0001 par value; 500,000,000 shares authorized; 303,000 shares issued and outstanding (excluding 5,307,292 and 20,200,000 shares subject to possible redemption at December 31, 2023 and 2022, respectively)	30	30
Class B ordinary shares, \$0.0001 par value; 50,000,000 shares authorized; 5,050,000 shares issued and outstanding at December 31, 2023 and 2022, respectively	505	505
Additional paid-in capital	—	—
Accumulated deficit	(11,946,258)	(7,621,413)
Total Shareholders' Deficit	<u>(11,945,723)</u>	<u>(7,620,878)</u>
Total Liabilities, Class A Ordinary Shares Subject to Possible Redemption and Shareholders' Deficit	<u>\$ 58,660,994</u>	<u>\$ 207,355,603</u>

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

DIH HOLDING US, INC. F/K/A AURORA TECHNOLOGY ACQUISITION CORP.
CONSOLIDATED STATEMENTS OF INCOME

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Formation and operating costs	\$ 3,527,996	\$ 1,705,315
Loss from operations	(3,527,996)	(1,705,315)
Other income:		
Change in fair value of warrant liability	319,400	5,191,127
Gain on extinguishment of over-allotment liability	—	258,440
Gain on extinguishment of liability	364,786	—
Dividend income on marketable securities held in Trust Account	3,484,006	2,859,903
Other income, net	4,168,192	8,309,470
Net income	\$ 640,196	\$ 6,604,155
Basic and diluted weighted average shares outstanding, Class A ordinary shares subject to possible redemption	7,066,563	18,041,644
Basic and diluted net income per share, Class A ordinary shares subject to possible redemption	\$ 0.05	\$ 0.28
Basic and diluted weighted average shares outstanding, non-redeemable ordinary shares	5,353,000	5,315,282
Basic and diluted net income per share, non-redeemable ordinary shares	\$ 0.05	\$ 0.28

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

**DIH HOLDING US, INC. F/K/A AURORA TECHNOLOGY ACQUISITION CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT**

FOR THE YEAR ENDED DECEMBER 31, 2023

	Class A Ordinary Shares Subject to Possible Redemption		Class A Ordinary Shares		Class B Ordinary Shares		Additional Paid-in Capital	Accumulated Deficit	Shareholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount			
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance – January 1, 2023	20,200,000	\$ 206,879,903	303,000	\$ 30	5,050,000	\$ 505	\$ —	\$ (7,621,413)	\$ (7,620,878)
Redemption of Class A ordinary shares	(14,892,708)	(153,196,305)	—	—	—	—	—	—	—
Remeasurement of Class A ordinary shares to redemption amount	—	4,965,041	—	—	—	—	—	(4,965,041)	(4,965,041)
Net income	—	—	—	—	—	—	—	640,196	640,196
Balance as of December 31, 2023	<u>5,307,292</u>	<u>58,648,639</u>	<u>303,000</u>	<u>\$ 30</u>	<u>5,050,000</u>	<u>\$ 505</u>	<u>\$ —</u>	<u>\$ (11,946,258)</u>	<u>\$ (11,945,723)</u>

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

**DIH HOLDING US, INC. F/K/A AURORA TECHNOLOGY ACQUISITION CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT (CONTINUED)**

FOR THE YEAR ENDED DECEMBER 31, 2022

	Class A Ordinary Shares Subject to Possible Redemption		Class A Ordinary Shares		Class B Ordinary Shares		Additional Paid-in Capital	Accumulated Deficit	Shareholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance – January 1, 2022	—	\$ —	—	\$ —	5,750,000	\$ 575	\$ 24,425	\$ (9,963)	\$ 15,037
Issuance of Class A ordinary shares	20,200,000	174,013,413	—	—	—	—	—	—	25,000
Remeasurement of Class A ordinary shares to redemption value at IPO	—	32,866,490	—	—	—	—	(18,650,885)	(14,215,605)	(32,866,490)
Forfeiture of Class B ordinary shares issued to Sponsor	—	—	—	—	(700,000)	(70)	70	—	—
Issuance of representative shares	—	—	303,000	30	—	—	3,029,970	—	3,030,000
Rights underlying the Units	—	—	—	—	—	—	15,596,420	—	15,596,420
Net income	—	—	—	—	—	—	—	6,604,155	6,604,155
Balance as of December 31, 2022	<u>20,200,000</u>	<u>206,879,903</u>	<u>303,000</u>	<u>\$ 30</u>	<u>5,050,000</u>	<u>\$ 505</u>	<u>\$ —</u>	<u>\$ (7,621,413)</u>	<u>\$ (7,620,878)</u>

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

DIH HOLDING US, INC. F/K/A AURORA TECHNOLOGY ACQUISITION CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Cash Flows from Operating Activities:		
Net income	\$ 640,196	\$ 6,604,155
Adjustments to reconcile net income to net cash used in operating activities:		
Dividend income on marketable securities held in Trust Account	(3,484,006)	(2,859,903)
Allocation of deferred offering costs for warrant liability	—	516,746
Change in fair value of warrant liability	(319,400)	(5,191,127)
Gain on extinguishment of over-allotment liability	—	(258,440)
Gain on extinguishment of liability	(364,786)	—
Changes in current assets and current liabilities:		
Due to related party	55,662	—
Prepaid expenses	284,597	(284,597)
Accounts payable and accrued expenses	2,493,524	377,211
Net cash used in operating activities	(694,213)	(1,095,955)
Cash Flows from Investing Activities:		
Investment of cash in Trust Account	—	(204,020,000)
Purchase of marketable securities held in Trust Account	(1,485,000)	—
Redemption of marketable securities held in Trust Account	153,200,270	—
Net cash provided (used) in investing activities	151,715,270	(204,020,000)
Cash Flows from Financing Activities:		
Proceeds from issuance of Class A ordinary shares	—	202,000,000
Payment of underwriting fee	—	(2,525,000)
Proceeds from sale of Private Warrants	—	6,470,000
Proceeds from promissory note – related party	1,996,500	—
Payment of promissory note – related party	—	(242,801)
Payment of deferred offering costs	—	(460,514)
Payment of redemption on Class A ordinary shares	(153,196,305)	—
Net cash (used) provided by financing activities	(151,199,805)	205,241,685
Net Change in Cash	(178,748)	125,730
Cash – Beginning	191,103	65,373
Cash-Ending	\$ 12,355	\$ 191,103
Supplemental Disclosure of Non-cash Financing and Investing Activities:		
Initial measurement of Class A ordinary shares subject to possible redemption	\$ —	\$ 174,013,413
Initial measurement of public warrants and private placement warrants	\$ —	\$ 5,780,547
Deferred underwriting fee payable	\$ —	\$ 7,070,000
Remeasurement of Class A ordinary shares subject to possible redemption	\$ 4,965,041	\$ 32,866,490
Forfeiture of Founder Shares	\$ —	\$ (70)
Issuance of Representative Shares	\$ —	\$ 30
Deferred offering costs included in accrued offering costs	\$ —	\$ 50,000

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

**DIH HOLDING US, INC. F/K/A AURORA TECHNOLOGY ACQUISITION CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 1. ORGANIZATION AND PLANS OF BUSINESS OPERATIONS

Organization and General

Aurora Technology Acquisition Corp. (the “Company”) was incorporated as a Cayman Islands exempted company on August 6, 2021. The Company is a blank check company formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization, recapitalization or similar business combination with one or more businesses (a “Business Combination”). The Company is an “emerging growth company,” as defined in Section 2(a) of the Securities Act of 1933, as amended (the “Securities Act”), as modified by the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”).

Sponsor and Initial Financing

As of December 31, 2023, the Company had not commenced any operations. All activity through December 31, 2023 relates to the Company’s formation, the initial public offering (the “Initial Public Offering” or “IPO”), which is described below, and identifying a target for a Business Combination. The Company will not generate any operating revenues until after the completion of its initial Business Combination, at the earliest. The Company generates non-operating income in the form of interest income from the proceeds derived from the Initial Public Offering.

The registration statement for the Initial Public Offering was declared effective on February 7, 2022. On February 9, 2022, the Company consummated the Initial Public Offering of 20,200,000 units (the “Units” and, with respect to the Class A ordinary shares included in the Units sold, the “Public Shares”), which includes the exercise by the underwriter of its over-allotment option in the amount of 200,000 Units, at \$10.00 per Unit, generating gross proceeds of \$202,000,000, which is described in Note 3.

Simultaneously with the closing of the Initial Public Offering, the Company consummated the sale of 6,470,000 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 ATAC Sponsor LLC (the “Sponsor”), generating gross proceeds of \$6,470,000, which is described in Note 4.

Transaction costs related to the consummation of the IPO on February 9, 2022, amounted to \$29,192,787, consisting of \$2,525,000 of underwriting discount, \$7,070,000 of deferred underwriting fees, over-allotment option liability of \$258,440, \$3,030,000 for issuance of representative shares, \$15,596,420 fair value of rights underlying the Units, and \$712,927 of actual offering costs. In addition, on February 9, 2022, cash of \$1,468,333 was held outside of the Trust Account (as defined below) and was available for the payment of offering costs and for working capital purposes.

The Trust Account

Following the closing of the Initial Public Offering on February 9, 2022 (“IPO Closing Date”), an amount of \$204,020,000 (\$10.10 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”). The funds in the Trust Account is invested only in U.S. government treasury bills with a maturity of 185 days or less or in money market funds investing solely in U.S. Treasuries and meeting certain conditions under Rule 2a-7 under the Investment Company Act of 1940, as amended. The Company will not be permitted to withdraw any of the principal or interest held in the Trust Account except for the withdrawal of interest to pay taxes, if any. The funds held in the Trust Account will not otherwise be released from the trust account until the earliest of: (i) the Company’s completion of a Business Combination; (ii) the redemption of any Public Shares properly submitted in connection with a shareholder vote to amend the Company’s Amendment No. 1 to the Amended and Restated Memorandum of Association, and (iii) the redemption of the Company’s Public Shares if the Company is unable to complete the initial Business Combination within 12 months (or up to 24 months, if applicable) from the IPO Closing Date (the “Combination Period”).

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On February 3, 2023 in connection with its Extraordinary General Meeting held on February 3, 2023 (the “February Extraordinary General Meeting”), the Company and Continental Stock Transfer & Trust Company (the “Trustee”) entered into Amendment No. 1 to the Investment Management Trust Agreement dated February 7, 2022 to allow the Company to extend the date by which it has to consummate a business combination six times for an additional one month each time from February 9, 2023 to August 9, 2023, extending the Combination period up to 24 months, if applicable, by depositing into the Trust Account for each one-month extension the lesser of \$135,000 or \$0.045 per share multiplied by the number of public shares then outstanding.

On July 27, 2023, the Company held an extraordinary general meeting of shareholders (the “July Extraordinary General Meeting”), to, among other things, approve (i) a special resolution to amend the amended and restated articles of association of the Company (the “Articles”) giving the Company the right to further extend the Business Combination Period six (6) times for an additional one (1) month each time, from August 9, 2023 to February 7, 2024 (the “Second Extension Amendment”) and (ii) the proposal to approve the Second Trust Amendment (as defined below). All proposals at the July Extraordinary General Meeting were approved by the shareholders of the Company. As such, the Company and Transfer Agent entered into Amendment No. 2 to the Investment Management Trust Agreement, to allow ATAK to extend the Business Combination Period six (6) times for an additional one (1) month each time from August 9, 2023 to February 9, 2024 by depositing into the Trust Account for each one-month extension the lesser of: (x) \$135,000 or (y) \$0.045 per share multiplied by the number of public shares then outstanding (the “Second Trust Amendment”). In addition, on July 27, 2023, the Company adopted the Second Extension Amendment, amending the Company’s Articles. As of December 31, 2023, the Company exercised eleven of the one-month extensions, depositing a total of \$1,485,000 into the Trust Account to fund the extensions.

In connecting with the closing of the Business Combination discussed below, on February 7, 2024, the Trust was liquidated.

Business Combination

On February 26, 2023 (the “Signing Date”), Aurora Technology Acquisition Corp., a Cayman Islands exempted company (which shall migrate to and domesticate as a Delaware corporation prior to the Closing, as defined below) (“ATAK”), entered into a Business Combination Agreement (as it may be amended, supplemented or otherwise modified from time to time in accordance with its terms, the “Business Combination Agreement”), among ATAK, Aurora Technology Merger Sub Corp., a Nevada corporation and a direct, wholly-owned subsidiary of ATAK (“Merger Sub”), and DIH Holding US, Inc., a Nevada corporation (“DIH”). ATAK and DIH are each individually referred to herein as a “Party” and, collectively, the “Parties.”

The Business Combination Agreement has been approved by the board of directors of each of ATAK and Merger Sub and DIH, respectively. The transactions contemplated by the Business Combination Agreement are referred to as the “Business Combination.”

Following the time of the closing of the Business Combination (the “Closing,” and the date on which the Closing occurs, the “Closing Date”), the combined company will be organized as a Delaware corporation, in which substantially all of the assets and the business of the combined company will be held by DIH. The combined company’s business will continue to operate through DIH and its subsidiaries. In connection with the Closing, ATAK will change its name to “DIH Holding US, Inc.” (such company after the Closing, “New DIH”).

On February 6, 2024, ATAK and DIH received approval of The Nasdaq Stock Market LLC to list the Class A common stock of New DIH to be outstanding after the Closing on the Nasdaq Global Market under the symbol “DHAI.” The outstanding warrants to purchase shares of Class A common stock have been approved for listing on the Nasdaq Capital Market under the symbol “DHAIW.”

The parties also announced that the Closing will occur on February 7, 2024 with trading to commence under the new name and symbols on February 9, 2024.

In connection with the Closing, ATAK agreed to waive a condition to Closing that required that DIH had completed a corporate reorganization in the form specified in the Business Combination Agreement as to permit the Closing to occur on February 7, 2024, the last possible date for Closing under the SPAC’s governing documents.

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Liquidity and Capital Resources

As of December 31, 2023 and 2022, the Company had \$12,355 and \$191,103 in operating cash, respectively, and working capital (deficit) of \$(4,605,703) and \$38,542, respectively.

The Company's liquidity needs up to December 31, 2023 had been satisfied through a payment from the Sponsor of \$25,000 for Class B ordinary shares, par value \$0.0001 per share (see Note 5), and proceeds from the Initial Public Offering and the issuance of the Private Placement Warrants. Additionally, the Company drew on unsecured promissory notes to pay certain offering costs and extension payments.

During 2023 and through the date of the Business Combination, the Company had a significant working capital deficit, had incurred significant costs in pursuit of its financing and acquisition plans, and the possibility existed that the Company may have needed to raise additional capital through loans or additional investments from its Sponsor, shareholders, officers, directors, or third parties. Therefore, as of December 31, 2023, and during the period prior to the Business Combination with DIH, these conditions raised substantial doubt about the Company's ability to continue as a going concern. Upon completion of the Business Combination and as of the date these financial statements are issued, the Company is currently assessing the combined entity's ability to continue as a going concern. Until that assessment is complete, the Company continues to report that there is substantial doubt about the Company's ability to continue as a going concern through twelve months from the date these financial statements are issued (see Note 10).

Risks and Uncertainties

Management continues to evaluate the impact of the ongoing conflict between Russia and Ukraine, the conflict in the Middle East between Hamas and Israel, rising levels of inflation and interest rates, and resulting market volatility and has concluded that while it is reasonably possible that these events could have a negative effect on the Company's financial position and results of its operations, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

Although our financial results have not yet been adversely affected by the war in Ukraine or the conflict in the Middle East between Hamas and Israel, and we do not conduct business in Russia, Ukraine, Palestine or Israel, our financial results, our ability to raise capital or raise capital on favorable terms, and a potential target business's financial condition, results of operations, or prospects, may be adversely affected by Russia's invasion of Ukraine and the conflict in the Middle East between Hamas and Israel. In addition, the United States and other nations have raised the possibility of sanctions on China, Chinese banks, and companies with operations in China that do business with Russia or its allies, including Belarus. Although we do not conduct business in Russia or Belarus, or with Russian or Belarusian counterparties, we may be impacted by sanctions imposed on third parties. Our operations may also be adversely impacted by any actions taken by China in response to the war or any related sanctions or threatened sanctions. Such actual or threatened sanctions and other geopolitical factors arising in connection with the war, such as continued political or economic instability or increased economic or political tensions between the United States and China, could also adversely affect our business and financial results, including our ability to raise capital or raise capital on favorable terms and the market price of our ordinary shares and/or a potential target business's financial condition, results of operations, or prospects.

Inflation Reduction Act

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 (including redemptions) of stock by publicly traded domestic (i.e., U.S.) corporations and certain domestic subsidiaries of publicly traded foreign corporations. 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. The IR Act applies only to repurchases that occur after December 31, 2022.

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Any redemption or other repurchase that occurs after December 31, 2022, in connection with a Business Combination 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 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 in the Company’s ability to complete a Business Combination.

The Company will continue to monitor for updates to the Company’s business along with guidance issued with respect to the IR Act to determine whether any adjustments are needed to the Company’s tax provision in future periods.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and in accordance with the rules and regulations of the Securities and Exchange Commission (the “SEC”).

Emerging Growth Company

The Company is an “emerging growth company,” as defined in Section 2(a) of the Securities Act, as modified by the JOBS Act, and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the independent registered public accounting firm attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that 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 either not an emerging growth company or 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 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 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 financial statements, which management considered in formulating its estimate, could change in the near term due to one or more future confirming events. One of the more significant accounting estimates included in these financial statements is the determination of the fair value of the warrant liabilities. Such estimates may be subject to change as more current information becomes available. Accordingly, the actual results could differ significantly from those estimates.

Cash and Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents. The Company did not have any cash equivalents as December 31, 2023 and 2022.

Marketable Securities Held in Trust Account

Following the closing of the Initial Public Offering on February 9, 2022, an amount of \$204,020,000 from the net proceeds of the sale of the Units in the Initial Public Offering and the sale of the Private Placement Warrants were placed in the Trust Account and is invested only in U.S. government securities with a maturity of 185 days or less or in money market funds meeting certain conditions under Rule 2a-7 under the Investment Company Act which invest only in direct U.S. government treasury obligations. The Trust Account is intended as a holding place for funds pending the earliest to occur of: (i) the completion of the initial Business Combination; (ii) the redemption of any public shares properly submitted in connection with a shareholder vote to amend the Company's Amended and Restated Memorandum of Association (A) to modify the substance or timing of our obligation to provide holders of our Class A ordinary shares the right to have their shares redeemed in connection with our initial business combination or to redeem 100% of our public shares if we do not complete our initial business combination within 12 months from the closing of the IPO (unless extended) or (B) with respect to any other provision relating to the rights of holders of our Class A ordinary shares; or (iii) absent our completing an initial business combination within 12 months from the closing of our initial public offering (unless extended), our return of the funds held in the trust account to our public shareholders as part of our redemption of the Public Shares. As of December 31, 2023, substantially all of the assets held in the Trust Account were held in money market funds which invest in United States Treasury securities. All of the investments held in the Trust Account are classified as trading securities. Trading securities are presented on the balance sheet at fair value at the end of each reporting period. The estimated fair values of investments held in Trust Account are determined using available market information.

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 IPO. Offering costs are charged to shareholders' deficit or the statement of operations based on the relative value of the Public Warrants and the Private Placement Warrants to the proceeds received from the Units sold upon the completion of the IPO. Accordingly, on February 9, 2022, offering costs totaling \$29,192,787 (consisting of \$2,525,000 of underwriting fees, \$7,070,000 of deferred underwriting fees, over-allotment option liability of \$258,440, \$3,030,000 for issuance of representative shares, \$15,596,420 fair value of rights underlying the Units, and \$712,927 of actual offering costs), with \$265,808 included in accumulated deficit as an allocation for the Public Warrants, and \$10,300,559 included as a reduction to proceeds.

Class A Ordinary Shares Subject to Possible Redemption

The Company accounts for its Class A ordinary shares subject to possible redemption in accordance with the guidance in Accounting Standards Codification ("ASC") Topic 480 "Distinguishing Liabilities from Equity." Conditionally redeemable ordinary shares (including ordinary shares 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, ordinary shares is classified as shareholders' equity. The Company's Class A ordinary shares features certain redemption rights that are considered to be outside of the Company's control and subject to occurrence of uncertain future events. On February 9, 2023, certain investors redeemed 14,529,877 shares of Class A ordinary shares for \$149,322,133, resulting in a reduction to shares of Class A ordinary shares outstanding to 5,670,123. On July 28, 2023, certain investors redeemed 362,831 shares of Class A ordinary shares for \$3,874,172, resulting in a reduction to shares of Class A ordinary shares outstanding to 5,307,292. Accordingly, at December 31, 2023 and 2022, Class A ordinary shares subject to possible redemption is presented at redemption value as temporary equity, outside of the shareholders' equity section of the Company's balance sheet.

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The Company recognizes changes in redemption value immediately as they occur and adjusts the carrying value of redeemable ordinary shares to equal the redemption value at the end of each reporting period. Such changes are reflected in additional paid-in capital, or in the absence of additional capital, in accumulated deficit.

As of December 31, 2023, the Class A ordinary shares, classified as temporary equity in the balance sheet, are reconciled in the following table:

Gross proceeds from initial public offering	\$ 202,000,000
Less:	
Proceeds allocated to public warrants	(3,521,870)
Offering costs allocated to Class A ordinary shares subject to possible redemption	(13,079,620)
Fair value allocated to rights	(15,596,420)
Plus:	
Proceeds allocated to private warrants	4,211,323
Re-measurement of Class A ordinary shares subject to possible redemption	32,866,490
Class A ordinary shares subject to possible redemption, December 31, 2022	<u>206,879,903</u>
Redemption of Class A ordinary shares	(153,196,305)
Re-measurement of Class A ordinary shares subject to possible redemption	4,965,041
Class A ordinary shares subject to possible redemption, December 31, 2023	<u>\$ 58,648,639</u>

Income Taxes

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

ASC 740 prescribes a recognition threshold and a measurement attribute for the financial statements recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. 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 may be subject to potential examination by U.S. federal, U.S. state or foreign taxing authorities in the area of income taxes. These potential examinations may include questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions and compliance with U.S. federal, U.S. state and foreign tax laws. There is currently no taxation imposed on income by the Government of the Cayman Islands. In accordance with Cayman federal income tax regulations, income taxes are not levied on the Company. Consequently, deferred tax assets and income taxes are not reflected in the Company's financial statements. 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 (Loss) per Ordinary Share

Net income per ordinary share is computed by dividing net income by the weighted average number of ordinary shares outstanding during the period. Ordinary shares subject to possible redemption at December 31, 2023, which are not currently redeemable and are not redeemable at fair value, have been excluded from the calculation of basic net income per ordinary share since such shares, if redeemed, only participate in their pro rata share of the Trust Account earnings. The Company has not considered the effect of the warrants sold in the Initial Public Offering and the private placement to purchase an aggregate of 6,470,000 Private Placement Warrants in the calculation of diluted income per share, since the exercise of the warrants is contingent upon the occurrence of future events and the inclusion of such warrants would be anti-dilutive. As a result, diluted net income (loss) per ordinary share is the same as basic net income per ordinary share for the period presented.

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The Company's statement of operations includes a presentation of net income per ordinary share subject to possible redemption and allocates the net income into the two classes of stock in calculating net earnings per ordinary share, basic and diluted. For redeemable Class A ordinary shares, net income per ordinary share is calculated by dividing the net income by the weighted average number of Class A ordinary shares subject to possible redemption outstanding since original issuance. For non-redeemable Class A ordinary shares, net income per share is calculated by dividing the net income by the weighted average number of non-redeemable Class A ordinary shares outstanding for the period. Non-redeemable Class A ordinary shares include the representative shares issued to Maxim at the closing of the initial public offering. For non-redeemable Class B ordinary shares, net income per share is calculated by dividing the net income by the weighted average number of non-redeemable Class B ordinary shares outstanding for the period. Non-redeemable Class B ordinary shares include the founder shares as these shares do not have any redemption features and do not participate in the income earned on the Trust Account. As of December 31, 2023, the Company did not have any dilutive securities or other contracts that could, potentially, be exercised or converted into ordinary shares and then share in the earnings of the Company. As a result, diluted net income per ordinary share is the same as basic net income per ordinary share for the periods presented.

The following table reflects the calculation of basic and diluted net income per ordinary share (in dollars, except per share amounts):

	For the Year Ended	
	December 31,	
	2023	2022
<i>Class A ordinary shares subject to possible redemption</i>		
Numerator: income attributable to Class A ordinary shares subject to possible redemption		
Net income attributable to Class A ordinary shares subject to possible redemption	\$ 364,263	\$ 5,101,263
Denominator: weighted average Class A ordinary shares subject to possible redemption		
Basic and diluted weighted average shares outstanding, Class A ordinary shares subject to possible redemption	7,066,563	18,041,644
Basic and diluted net income per share, Class A ordinary shares subject to possible redemption	\$ 0.05	\$ 0.28
<i>Non-redeemable ordinary shares</i>		
Numerator: income attributable to non-redeemable Class A and Class B ordinary shares		
Net income attributable to non-redeemable Class A and Class B ordinary shares	\$ 275,933	\$ 1,502,892
Denominator: weighted average non-redeemable Class A and Class B ordinary shares		
Basic and diluted weighted average shares outstanding, non-redeemable Class A and Class B ordinary shares	5,353,000	5,315,282
Basic and diluted net income per share, non-redeemable Class A and Class B ordinary shares	\$ 0.05	\$ 0.28

Related Parties

Parties, which can be a corporation or individual, are considered to be related if the Company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions. Companies are also considered to be related if they are subject to common control or common significant influence.

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 Depository Insurance 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.

Fair Value of Financial Instruments

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

Fair Value Measurements

Fair value is defined as the price that would be received for sale of an asset or paid for transfer of a liability, in an orderly transaction between market participants at the measurement date. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). These tiers include:

- Level 1, defined as observable inputs such as quoted prices (unadjusted) for identical instruments in active markets;
- Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and
- Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

In some circumstances, the inputs used to measure fair value might be categorized within different levels of the fair value hierarchy. In those instances, the fair value measurement is categorized in its entirety in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

Warranty Liability

The Company accounted for the 26,670,000 warrants issued in connection with the Initial Public Offering and the Private Placement Warrants (collectively, the "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" ("ASC 815"). The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the company's own 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 quarterly period end date while the warrants are outstanding.

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Such guidance provides that because the warrants do not meet the criteria for equity treatment thereunder, each warrant must be recorded as a liability. The accounting treatment of derivative financial instruments requires that the Company record a derivative liability upon the closing of the Initial Public Offering. Accordingly, the Company will classify each warrant as a liability at its fair value and the warrants will be allocated a portion of the proceeds from the issuance of the Units equal to its fair value. This liability is subject to re-measurement at each balance sheet date. With each such re-measurement, the warrant liability will be adjusted to fair value, with the change in fair value recognized in the Company's statement of operations. The Company will reassess the classification at each balance sheet date. If the classification changes as a result of events during the period, the warrants will be reclassified as of the date of the event that causes the reclassification.

Recent Accounting Standards

In August 2020, the FASB issued ASU No. 2020-06, "Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity" ("ASU 2020-06"), which simplifies accounting for convertible instruments by removing major separation models required under current GAAP. 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 smaller reporting companies for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. The Company is currently assessing the impact, if any, that ASU 2020-06 would have on its financial position, results of operations or cash flows.

In June 2022, the FASB issued ASU 2022-03, ASC Subtopic 820 "Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions" ("ASU 2022-03"), which amends ASC 820 to clarify that a contractual sales restriction is not considered in measuring an equity security at fair value and to introduce new disclosure requirements for equity securities subject to contractual sale restrictions that are measured at fair value. ASU 2022-03 applies to both holders and issuers of equity and equity-linked securities measured at fair value. The amendments are effective for the Company in fiscal years beginning after December 15, 2023, and interim periods within those fiscal years. Early adoption is permitted for both interim and annual financial statements that have not yet been issued or made available for issuance. The Company is currently assessing the impact, if any, that ASU 2022-03 would have on its financial position, results of operations or cash flows.

In December 2023, the FASB issued Accounting Standards Update 2023-09, "Improvements to Income Tax Disclosures" ("ASU 2023-09"), which provides for additional disclosures primarily related to the income tax rate reconciliations and income taxes paid. ASU 2023-09 requires entities to annually disclose the income tax rate reconciliation using both amounts and percentages, considering several categories of reconciling items, including state and local income taxes, foreign tax effects, tax credits and nontaxable or nondeductible items, among others. Disclosure of the reconciling items is subject to a quantitative threshold and disaggregation by nature and jurisdiction. ASU 2023-09 also requires entities to disclose net income taxes paid or received to federal, state and foreign jurisdictions, as well as by individual jurisdiction, subject to a five percent quantitative threshold. ASU 2023-09 may be adopted on a prospective or retrospective basis and is effective for fiscal years beginning after December 15, 2024 with early adoption permitted. The Company is currently assessing the impact, if any, that ASU 2023-09 would have on its financial position, results of operations or cash flows.

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.

NOTE 3. INITIAL PUBLIC OFFERING

On February 9, 2022, pursuant to the Initial Public Offering, the Company sold 20,200,000 Units, which includes the partial exercise by the underwriter of its over-allotment option in the amount of 200,000 Units, at a price of \$10.00 per Unit. Each Unit consists of one Class A ordinary share, one redeemable warrant (each whole warrant, a "Public Warrant"), and one right to receive one-tenth of one Class A ordinary share upon the consummation of the Company's initial Business Combination. Each two Public Warrants entitle the holder to purchase one Class A ordinary share at an exercise price of \$11.50 per share, subject to adjustment (see Note 8).

An aggregate of \$10.10 per Unit sold in the IPO was held in the Trust Account and invested in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act, 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.

NOTE 4. PRIVATE PLACEMENT

Simultaneously with the closing of the Initial Public Offering, the Sponsor purchased an aggregate of 6,470,000 Private Placement Warrants at a price of \$1.00 per warrant (\$6,470,000 in the aggregate) in a private placement.

Each two private placement warrants (the "Private Placement Warrants") are exercisable for one whole Class A ordinary share at a price of \$11.50 per share. A portion of the proceeds from the Private Placement Warrants were added to the proceeds from the Initial Public Offering to be 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 held in the Trust Account 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 August 7, 2021, the Sponsor was issued 5,750,000 of the Company's Class B ordinary shares (the "Founder Shares") for an aggregate purchase price of \$25,000. Due to the underwriters partial exercise of the over-allotment option, the Sponsor forfeited 700,000 Founder Shares back to the Company. As a result, the Sponsor currently has 5,050,000 Founder Shares.

The Sponsor has agreed, subject to certain limited exceptions, not to transfer, assign or sell any of the Founder Shares until the earlier of (A) one year after the completion of a Business Combination or (B) subsequent to a Business Combination, (x) if the last reported sale price of the Class A ordinary shares equals or exceeds \$12.00 per share (as adjusted for share sub-divisions, share 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, stock exchange, reorganization or other similar transaction that results in all of the Company's shareholders having the right to exchange their Class A ordinary shares for cash, securities or other property.

Promissory note-related party

On August 7, 2021, the Company issued an unsecured promissory note to the Sponsor (the "Promissory Note"), pursuant to which the Company may borrow up to an aggregate principal amount of \$300,000. The Promissory Note was non-interest bearing and payable on the earlier of March 31, 2022, or the completion of the IPO. At the time of repayment, there was \$242,801 outstanding under the Promissory Note. On February 9, 2022, the Company repaid the Sponsor for amounts outstanding under the Promissory Note. As of December 31, 2023 and 2022, there were no amounts outstanding under the Promissory Note.

On February 8, 2023, the Company issued and drew fully against a promissory note in the amount of \$90,000 to fund working capital needs (the "First Working Capital Note"). Additionally, on February 8, 2023, the Company issued a promissory note in the amount of \$135,000 to fund the Company's first extension payment (the "First Extension Note"), which has not been drawn against. On March 3, 2023, the Company issued a promissory note in the amount of \$810,000 to pay for up to six additional one-month extension payments (the "Second Extension Note"). On each of March 7, 2023, April 6, 2023, May 5, 2023, June 2, 2023, and July 5, 2023, the Company drew \$135,000, \$675,000 in the aggregate, against the Second Extension Note to pay for each additional one-month extension. On April 6, 2023, the Company issued and drew fully against a promissory note in the amount of \$100,000 to fund working capital needs (the "Second Working Capital Note"). On May 2, 2023, the Company issued and drew fully against a promissory note in the amount of \$100,000 to fund working capital needs (the "Third Working Capital Note"). On June 14, 2023, the Company issued and drew fully against a promissory note in the amount of \$20,000 to fund working capital needs (the "Fourth Working Capital Note"). On July 7, 2023, the Company issued and subsequently on July 10, 2023, drew fully against a promissory note in the amount of \$100,000 to fund working capital needs (the "Fifth Working Capital Note"). On July 31, 2023, the Company issued a promissory note in the amount of \$810,000 to pay for up to six additional one-month extension payments (the "Third Extension Note"). On each of July 31, 2023, September 1, 2023, October 2, 2023, November 2, 2023, and December 5, 2023, the Company drew \$135,000, \$675,000 in the aggregate, against the Third Extension Note to pay for each additional one-month extension. On September 1, 2023, the Company issued and drew fully against a promissory note in the amount of \$50,000 to fund working capital needs (the "Sixth Working Capital Note"). On October 24, 2023, the Company issued and drew fully against a promissory note in the amount of \$75,000 to fund working capital needs (the "Seventh Working Capital Note"). On November 17, 2023, the Company issued and drew fully against a promissory note in the amount of \$50,000 to fund working capital needs (the "Eighth Working Capital Note"). On November 21, 2023, the Company issued and drew fully against a promissory note in the amount of \$25,000 to fund working capital needs (the "Ninth Working Capital Note"). On December 8, 2023, the Company issued and drew fully against a promissory note in the amount of \$36,500 to fund working capital needs (the "Tenth Working Capital Note" and together with the First Working Capital Note, the Second Working Capital Note, the Third Working Capital Note, the Fourth Working Capital Note, the Fifth Working Capital Note, the Sixth Working Capital Note, the Seventh Working Capital Note, the Eighth Working Capital Note, and the Ninth Working Capital Note, collectively, the "Working Capital Notes").

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The First Extension Note does not bear interest, and matures (subject to the waiver against trust provisions) upon the earlier of (i) two (2) days following the date on which the Company's initial business combination is consummated or liquidation and (ii) August 31, 2023. The Company did not draw funds against the First Extension Note. The Second Extension Note bears no interest and is repayable in full (subject to amendment or waiver) upon the earlier of (i) the date of the consummation of the Company's initial business combination, or (ii) the date of the Company's liquidation. The Third Extension Note bears no interest and is repayable in full (subject to amendment or waiver) upon the earlier of (i) the date of the consummation of the Company's initial business combination, or (ii) the date of the Company's liquidation. The Working Capital Notes do not bear interest, and mature (subject to the waiver against trust provisions) upon the earlier of (i) two (2) days following the date on which the Company's initial business combination is consummated and (ii) the date of the liquidation of the Company.

As of December 31, 2023, there was \$646,500 and \$1,350,000 outstanding (\$1,996,500 in the aggregate) under the Working Capital Notes and Extension Notes, respectively

Working Capital Loans

In order to finance transaction costs in connection with a Business Combination, the Sponsor, certain of the Company's officers, directors or any of their affiliates may, but are not obligated to, loan the Company funds as may be required ("Working Capital Loans"). If the Company completes a Business Combination, the Company will repay the Working Capital Loans out of the proceeds of the Trust Account released to the Company. Otherwise, the Working Capital Loans would be repaid only out of funds held outside the Trust Account. In the event that a Business Combination does not close, the Company may use a portion of 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 Working Capital Loans would either be repaid upon completion of a Business Combination, without interest, or, at the lender's discretion, up to \$1,500,000 of such Working Capital Loans may be convertible into warrants of the post Business Combination entity at a price of \$1.00 per warrant. The warrants would be identical to the Private Placement Warrants. As of December 31, 2023 and 2022, no Working Capital Loans were outstanding.

Administrative support agreement

Commencing on February 9, 2022, the Company agreed to pay the Sponsor a total of \$10,000 per month for office space, secretarial and administrative services provided to the Company. Upon completion of the initial Business Combination or the Company's liquidation, the Company will cease paying these monthly fees. The Company has incurred and paid \$120,000 and \$110,000 in administrative support agreement expenses for the year ended December 31, 2023 and 2022, respectively.

Affiliate investment in potential target

The Company was in discussions with a number of potential target companies. Through introductions by the Company, an affiliate of one of the Company's directors invested in one potential target's latest private fundraising round. The result of which benefited the Company through deeper discussions of a potential transaction. However, the Company did not enter into a business combination agreement with the aforementioned potential target.

NOTE 6. SHAREHOLDERS' EQUITY

Preference shares – The Company is authorized to issue up to 5,000,000 preference shares with a par value of \$0.0001 per share with such designation, rights and preferences as may be determined from time to time by the Company's board of directors. At December 31, 2023 and 2022, there were no preferred shares issued or outstanding.

Class A ordinary shares – The Company is authorized to issue up to 500,000,000 Class A ordinary shares with a par value of \$0.0001 per share. Holders of the Company's Class A ordinary shares are entitled to one vote for each share. At December 31, 2023 and 2022, there were 303,000 Class A Ordinary Shares issued or outstanding, excluding 5,307,292 and 20,200,000 shares subject to possible redemption as presented in temporary equity as of December 31, 2023 and 2022, respectively.

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Class B ordinary shares – The Company is authorized to issue up to 50,000,000 Class B ordinary shares with a par value of \$0.0001 per share. At December 31, 2023 and 2022, there were 5,050,000 Class B ordinary shares issued and outstanding.

Ordinary shareholders of record are entitled to one vote for each share held on all matters to be voted on by shareholders and holders of Class A ordinary shares and holders of Class B ordinary shares will vote together as a single class on all matters submitted to a vote of the shareholders except as required by law.

For so long as any Class B ordinary shares remain outstanding, the Company may not, without the prior vote or written consent of the holders of a majority of the Class B ordinary shares then outstanding, voting separately as a single class, amend, alter or repeal any provision of our memorandum and articles of association, whether by merger, consolidation or otherwise, if such amendment, alteration or repeal would alter or change the powers, preferences or relative, participating, optional or other or special rights of the Class B ordinary shares. Any action required or permitted to be taken at any meeting of the holders of Class B ordinary shares may be taken without a general meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of the outstanding Class B ordinary shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a general meeting at which all Class B ordinary shares were present and voted.

The Class B ordinary shares will automatically convert into Class A ordinary shares at the time of a Business Combination or earlier at the option of the holders thereof on a one-for-one basis, subject to adjustment. In the case that additional Class A ordinary shares, or equity-linked securities, are issued or deemed issued in excess of the amounts offered in the IPO and related to the closing of a Business Combination, the ratio at which Class B ordinary shares shall convert into Class A ordinary shares will be adjusted (unless the holders of a majority of the outstanding Class B ordinary shares to waive such adjustment with respect to any such issuance or deemed issuance) so that the number of Class A ordinary shares issuable upon conversion of all Class B ordinary shares will equal, in the aggregate, on an as-converted basis, 20% of the sum of the total number of all ordinary shares outstanding upon the completion of the IPO plus all Class A ordinary shares and equity-linked securities issued or deemed issued by the Company in connection with or in relation to the completion of the initial Business Combination, any Class A ordinary shares or equity-linked securities exercisable for or convertible into Class A ordinary shares issued, or to be issued, to any seller in the initial Business Combination and any private placement warrants issued to the Sponsor upon conversion of Working Capital Loans. In no event will the Class B ordinary shares convert into Class A ordinary shares at a rate of less than one to one.

Rights – Except in cases where the Company is not the surviving company in a Business Combination, each holder of a right will automatically receive one-tenth (1/10) of one Class A ordinary share upon consummation of a Business Combination, even if the holder of a right redeemed all shares held by him, her or it in connection with a Business Combination or an amendment to the Company's Amended and Restated Memorandum of Association with respect to its pre-business combination activities. In the event that the Company will not be the surviving company upon completion of a Business Combination, each holder of a right will be required to affirmatively exchange his, her or its rights in order to receive the one-tenth (1/10) of a share underlying each right upon consummation of the Business Combination.

The Company will not issue fractional shares in connection with an exchange of rights. Fractional shares will either be rounded down to the nearest whole share or otherwise addressed in accordance with the applicable provisions of the Cayman Islands law. As a result, the holders of the rights must hold rights in multiples of 10 in order to receive shares for all of the holders' rights upon closing of a Business Combination. If the Company is unable to complete an initial Business Combination within the Combination Period and the Company redeems the Public Shares for the funds held in the Trust Account, holders of rights will not receive any of such funds for their rights and the rights will expire worthless.

NOTE 7. WARRANTS

The Company accounts for the 26,670,000 warrants that were issued in the IPO (representing 20,200,000 Public Warrants and 6,470,000 Private Placement Warrants) in accordance with the guidance contained in ASC 815-40. Such guidance provides that because the warrants do not meet the criteria for equity treatment thereunder, each warrant must be recorded as a liability. Accordingly, the Company will classify each warrant as a liability at its fair value.

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This liability is subject to re-measurement at each balance sheet date. With each such re-measurement, the warrant liability will be adjusted to fair value, with the change in fair value recognized in the Company's statement of operations.

Warrants – Public Warrants may only be exercised for a whole number of Class A ordinary shares. No fractional warrants have been or will be issued upon separation of the Units and only whole warrants will trade. Accordingly, unless holders purchase at least two Units, they will not be able to receive or trade a whole warrant. The Public Warrants will become exercisable 30 days after the completion of a Business Combination.

The Company will not be obligated to deliver any Class A Ordinary Shares 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 with respect to the Class A Ordinary Shares 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, or a valid exemption from registration is available. No Public Warrant will be exercisable, and the Company will not be obligated to issue any Class A Ordinary Shares upon exercise of a Public Warrant unless the Class A Ordinary Share issuable upon such Public 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 Public 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 post-effective amendment to the registration statement of which this prospectus forms a part or a new registration statement covering the registration under the Securities Act of the Class A Ordinary Shares issuable upon exercise of the Public Warrants, and 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 to those Class A Ordinary Shares until the Public Warrants expire or are redeemed, as specified in the warrant agreement; provided that if the Class A Ordinary Shares is 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, the Company may, at its option, require holders of Public Warrants who exercise their warrants to do so on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act and, in the event the Company so elects, the Company will not be required to file or maintain in effect a registration statement, but it 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. If a registration statement covering the Class A Ordinary Shares issuable upon exercise of the Public Warrants is not effective by the 60th day after the closing of a Business Combination, Public Warrant holders may, until such time as there is an effective registration statement and during any period when the Company will have failed to maintain an effective registration statement, exercise Public Warrants on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act or another exemption, but the Company 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.

Redemption of warrants:

Once the warrant become exercisable, the Company may redeem the outstanding 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 to each warrant holder; and
- if, and only if, the last sale price of our ordinary shares equals or exceeds \$18.00 per share (as adjusted for share sub-divisions, share dividends, reorganizations, recapitalizations and the like) for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which we send the notice of redemption to the warrant holder.

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In addition, if (x) the Company issues additional Class A Ordinary Shares or equity-linked securities for capital raising purposes in connection with the closing of a Business Combination at an issue price or effective issue price of less than \$9.20 per Class A Ordinary Share (with such issue price or effective issue price to be determined in good faith by the 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 such affiliates, as applicable, prior to such issuance) (the "Newly Issued Price"), (y) the aggregate gross proceeds from such issuances represent more than 60% of the total equity proceeds, and interest thereon, available for the funding of a Business Combination on the date of the consummation of a Business Combination (net of redemptions), and (z) the volume weighted average trading price of the Class A ordinary shares during the 20 trading day period starting on the trading day prior to the day on which the Company consummates a Business Combination (such price, the "Market Value") is below \$9.20 per share, then the exercise price of the warrants will be adjusted (to the nearest cent) to be equal to 115% of the higher of the Market Value and the Newly Issued Price, the \$18.00 per share redemption trigger price described above (to the nearest cent) to be equal to 180% of the higher of the Market Value and the Newly Issued Price.

The Private Placement Warrants will be identical to the Public Warrants underlying the Units being sold in the IPO, except that the Private Placement Warrants and the Class A Ordinary Shares issuable upon the exercise of the Private Placement Warrants will not be transferable, assignable or saleable until 30 days after the completion of a Business Combination, subject to certain limited exceptions. Additionally, the Private Placement Warrants will be exercisable for cash or on a cashless basis, at the holder's option, and be non-redeemable so long as they are held by the initial purchasers or their permitted transferees (except for a number of Class A Ordinary Shares as described above under Redemption of warrants for Class A Ordinary Shares).

NOTE 8. COMMITMENTS AND CONTINGENCIES

Registration right and Shareholder Rights

The holders of the Founder Shares, Private Placement Warrants, warrants that may be issued upon conversion of Working Capital Loans (and any Class A ordinary shares issuable upon the exercise of the Private Placement Warrants and warrants that may be issued upon conversion of the Working Capital Loans and upon conversion of the Founder Shares) are entitled to registration rights pursuant to a registration rights agreement that was signed on the effective date of the IPO, requiring the Company to register such securities for resale. The holders of these securities are entitled to make up to three demands, excluding short form demands, that the Company register such securities. In addition, the holders have certain "piggy-back" registration rights with respect to registration statements filed subsequent to the 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. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

Underwriting agreement

The Company granted the underwriters a 45-day option from the date of the IPO to purchase up to 3,000,000 additional Units to cover over-allotments at the IPO price less the underwriting discount. The underwriters partially exercised the over-allotment option, generating an additional \$2,000,000 in gross proceeds. As a result of the over-allotment being exercised in part, the Sponsor forfeited 700,000 Founder Shares back to the Company.

The underwriters were paid a cash underwriting discount of \$2,525,000 in the aggregate at the closing of the IPO. In addition, \$0.35 per Unit, or \$7,070,000 in the aggregate is payable to the underwriters for deferred underwriting commissions. The deferred fee is payable to the underwriters from the amounts held in the Trust Account solely in the event that the Company completes a Business Combination, subject to the terms of the underwriting agreement.

Legal Agreement

The Company has a contingent fee arrangement with their legal counsel, in which the deferred fee is payable to the Company's legal counsel solely in the event that the Company completes a Business Combination.

Right of First Refusal

Subject to certain conditions, the Company granted Maxim, for a period beginning on the closing of the IPO, and ending on the earlier of 18 months after the date of the consummation of the Business Combination and February 7, 2025, the three year anniversary of the effective date of the registration statement filed in connection with the IPO (the “S-1 Effective Date”), a right of first refusal to act as book-running managing underwriter or placement agent for any and all future public and private equity, convertible and debt offerings for us or any of our successors or subsidiaries. In accordance with FINRA Rule 5110(g)(6), such right of first refusal shall not have a duration of more than three years from the commencement of sales of securities in the IPO.

Representative’s Ordinary Shares

The Company issued to Maxim and/or its designees, 303,000 Class A ordinary shares upon the consummation of the IPO. Maxim has agreed not to transfer, assign or sell any such shares until the completion of the Company’s initial Business Combination. In addition, Maxim has agreed (i) to waive its redemption rights with respect to such shares in connection with the completion of the Company’s initial business combination and (ii) to waive its rights to liquidating distributions from the trust account with respect to such shares if the Company fails to complete its initial business combination within 12 months (or up to 18 months if we extend the period of time to consummate a business combination by the full amount of time) from the closing of the IPO.

The shares have been deemed compensation by FINRA and are therefore subject to a lock-up for a period of 180 days immediately following the S-1 Effective Date. Pursuant to FINRA Rule 5110(e)(1), these securities will not be the subject of any hedging, short sale, derivative, put or call transaction nor may they be sold, transferred, assigned, pledged or hypothecated for a period of 180 days immediately following the commencement of sales of securities in the IPO, except to any underwriter and selected dealer participating in the offering and their officers or partners, associated persons or affiliates.

Ordinary Shares Redemption

On December 18, 2023, the Company held an extraordinary general meeting of its shareholders (the “Extraordinary General Meeting”), for which the shareholders approved the Business Combination Proposals. In connection with the vote to approve the Business Combination Proposals, holders of 4,815,153 Class A ordinary shares of the Company properly exercised their right to redeem their shares for cash solely in the event that the Company completes a Business Combination. As such, simultaneous with the completion of the Business Combination on February 7, 2024, 4,815,153 Class A ordinary shares were redeemed.

NOTE 9. FAIR VALUE MEASUREMENTS

At December 31, 2023 and 2022, the Company’s warrant liability was valued at \$270,020 and \$589,420, respectively. Under the guidance in ASC 815-40, the Public Warrants and the Private Placement Warrants do not meet the criteria for equity treatment. As such, the Public Warrants and the Private Placement Warrants must be recorded on the balance sheet at fair value. This valuation is subject to re-measurement at each balance sheet date. With each re-measurement, the valuations will be adjusted to fair value, with the change in fair value recognized in the Company’s statement of operations.

The following table presents fair value information as of December 31, 2023 and 2022, of the Company’s financial assets and liabilities that were accounted for at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques the Company utilized to determine such fair value. The Company’s warrant liability is based on a valuation model utilizing management judgment and pricing inputs from observable and unobservable markets with less volume and transaction frequency than active markets. Significant deviations from these estimates and inputs could result in a material change in fair value. The Company transferred the fair value of Public Warrants and Private Placement Warrants from a Level 3 measurement to a Level 1 and Level 2 measurement, respectively, in 2022. The measurement of the Public Warrants as of December 31, 2023 is classified as Level 1 due to the use of an observable market quote in an active market under the ticker ATAKW. The measurement of the Private Placement Warrants as of December 31, 2023 is classified as Level 2 as its value is derived from the directly observable quoted prices of the Public Warrants in active markets.

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	Public Warrants	Private Placement Warrants	Warrant Liability
Derivative warrant liabilities at December 31, 2021	\$ —	\$ —	\$ —
Initial fair value at issuance of public and private placement warrants	3,521,870	2,258,677	5,780,547
Change in fair value	(1,905,870)	(2,115,677)	(4,021,547)
Transfer of public warrants to Level 1 measurement	(1,616,000)	—	(1,616,000)
Transfer of Private Placement Warrants to Level 2 measurement	—	(143,000)	(143,000)
Level 3 derivative warrant liabilities as of December 31, 2022	—	—	—
Change in fair value	—	—	—
Level 3 derivative warrant liabilities as of December 31, 2023	\$ —	\$ —	\$ —

The following tables set forth by level within the fair value hierarchy the Company's assets and liabilities that were accounted for at fair value on a recurring basis at December 31, 2023:

	(Level 1)	(Level 2)	(Level 3)
Assets			
Cash and marketable securities held in trust account	\$ 58,648,639	\$ —	\$ —
Liabilities			
Public Warrants	\$ 204,020	\$ —	\$ —
Private Placement Warrants	\$ —	\$ 66,000	\$ —

The following tables set forth by level within the fair value hierarchy the Company's assets and liabilities that were accounted for at fair value on a recurring basis at December 31, 2022:

Assets			
Cash and marketable securities held in trust account	\$ 206,879,903	\$ —	\$ —
Liabilities			
Public Warrants	\$ 446,420	\$ —	\$ —
Private Placement Warrants	\$ —	\$ 143,000	\$ —

The following table presents the changes in the fair value of derivative warrant liabilities as of December 31, 2023 and 2022:

	Public Warrants	Private Placement Warrants	Warrant Liability
Derivative warrant liabilities at December 31, 2021	\$ —	\$ —	\$ —
Initial fair value at issuance	3,521,870	2,258,677	5,780,547
Change in fair value	(3,075,450)	(2,115,677)	(5,191,127)
Derivative warrant liabilities at December 31, 2022	\$ 446,420	\$ 143,000	\$ 589,420
Change in fair value	(242,400)	(77,000)	(319,400)
Derivative warrant liabilities at December 31, 2023	\$ 204,020	\$ 66,000	\$ 270,020

Initial Measurement

The Company established the initial fair value for the warrants on February 9, 2022, the date of the completion of the Company's IPO. The Company used a Black Scholes Merton model to value the warrants. The Company allocated the proceeds received from (i) the sale of Units (which is inclusive of one Class A Ordinary Share, one Public Warrant and one right to receive one-tenth of a Class A ordinary share upon consummation of an initial business combination), (ii) the sale of Private Placement Warrants, and (iii) the issuance of Class B Ordinary Shares, first to the warrants based on their fair values as determined at initial measurement, with the remaining proceeds allocated to Class A Ordinary Shares subject to possible redemption (temporary equity), Class A Ordinary Shares (permanent equity) and Class B Ordinary Shares (permanent equity) based on their relative fair values at the initial measurement date.

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The key inputs into the Black Scholes Merton model were as follows at February 9, 2022:

	Private Placement Warrants	
Ordinary share price	\$	9.08
Exercise price	\$	11.50
Risk-free rate of interest		1.80%
Volatility		9.43%
Term		5.99
Warrant to buy one share	\$	0.35
Dividend yield		0.00%

Subsequent Measurement

The Company values the Private Placement Warrants relative to the market prices of ordinary share and the Public Warrants, which are both actively traded on a public market. The valuation model for the Private Placement Warrants is a risk-neutral Monte Carlo simulation. As of December 31, 2023, the measurement of the Public Warrants was valued using an observable market quote in an active market under the ticker ATAKW.

The key inputs into the Monte Carlo simulation model were as follows at December 31, 2023 and 2022:

	December 31,		December 31,	
	2023		2022	
Ordinary Share price	\$	4.48	\$	10.23
Exercise price	\$	11.50	\$	11.50
Risk-free rate of interest		3.81%		3.94%
Volatility		0.00%		0.00%
Term		5.11		5.50
Warrant to buy one share	\$	0.01	\$	0.02
Dividend yield		0.00%		0.00%

The risk-free interest rate assumption was based on the linearly interpolated Treasury Constant Maturity Rate Curve between five and seven year rates, which was commensurate with the contractual term of the Warrants, which expire on the earlier of (i) six years after the completion of the initial business combination and (ii) upon redemption or liquidation. An increase in the risk-free interest rate, in isolation, would result in an increase in the fair value measurement of the warrant liabilities and vice versa.

NOTE 10. SUBSEQUENT EVENTS

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

On January 4, 2024, the Company extended the Combination Period from January 9, 2024 to February 7, 2024 by depositing \$135,000 into the Trust Account on January 4, 2024.

On February 6, 2024, ATAK and DIH received approval of The Nasdaq Stock Market LLC to list the Class A common stock of New DIH to be outstanding after the Closing on the Nasdaq Global Market under the symbol "DHAI." The outstanding warrants to purchase shares of Class A common stock have been approved for listing on the Nasdaq Capital Market under the symbol "DHAIW."

The Closing occurred on February 7, 2024 with trading commencing under the new name and symbols on February 9, 2024.

Simultaneous with the Closing on February 7, 2024, the Sponsor agreed to forgive all amounts outstanding under the Working Capital Notes and Extension Notes, \$646,500 and \$1,485,000, respectively (\$2,131,500 in the aggregate).

On February 9, 2024, DIH Holding US, Inc. entered into a subscription agreement for a private placement of 150,000 shares of its Class A common stock at a per share price of \$10.00 for a total aggregate purchase price of \$1.5 million.

DESCRIPTION OF SECURITIES

The Company's capital stock is governed by the Company's Amended and Restated Certificate of Incorporation, the Company's Amended and Restated Bylaws and the DGCL. This description is a summary and is not complete. We urge you to read the Company's Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws, which are included as Exhibits 3.1 and 3.2, respectively, of the Form 8-K filed with the Securities and Exchange Commission on February 20, 2024, and are incorporated herein by reference, in their entirety.

General

The authorized capital stock of the Company consists of 100,000,000 shares of Class A Common Stock and 10,000,000 shares of preferred stock.

Common Stock

The Amended and Restated Certificate of Incorporation authorizes one class of common stock.

Dividend Rights

The DGCL permits a corporation to declare and pay dividends out of "surplus" or, if there is no "surplus", out of its net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year. "Surplus" is defined as the excess of the net assets of the corporation over the amount determined to be the capital of the corporation by the board of directors. The capital of the corporation is typically calculated to be (and cannot be less than) the aggregate par value of all issued shares of capital stock. Net assets equals the fair value of the total assets minus total liabilities. The DGCL also provides that dividends may not be paid out of net profits if, after the payment of the dividend, capital is less than the capital represented by the outstanding stock of all classes having a preference upon the distribution of assets. Delaware common law also imposes a solvency requirement in connection with the payment of dividends.

Subject to preferences that may apply to any shares of the Company's preferred stock outstanding at the time, the holders of the Company's common stock will be entitled to receive dividends out of funds legally available therefor if the Company's board of directors, in its discretion, determines to authorize the issuance of dividends and then only at the times and in the amounts that the Company's board of directors may determine.

Voting Rights

Holders of the Company's common stock are entitled to one vote for each share held as of the record date for the determination of the shareholders entitled to vote on such matters, including the election and removal of directors, except as otherwise required by law. Under Delaware law, the right to vote cumulatively does not exist unless the certificate of incorporation specifically authorizes cumulative voting. The Company's Amended and Restated Certificate of Incorporation does not authorize cumulative voting and provides that no shareholder is permitted to cumulate votes at any election of directors. Consequently, the holders of a majority of the outstanding shares of the Company's common stock can elect all of the directors then standing for election, and the holders of the remaining shares are not able to elect any directors.

Right to Receive Liquidation Distributions

If the Company becomes subject to a liquidation, dissolution, or winding-up, the assets legally available for distribution to the Company's shareholders would be distributable ratably among the holders of the Company's common stock and any participating series of the Company's preferred stock outstanding at that time, subject to prior satisfaction of all outstanding debt and liabilities and the preferential rights of, and the payment of any liquidation preferences on, any outstanding shares of the Company's preferred stock.

Other Matters

All outstanding shares of the Company's common stock are fully paid and nonassessable. The Company's common stock is not entitled to preemptive rights and is not subject to redemption or sinking fund provisions.

Preferred Stock

The Company's board of directors is authorized, subject to limitations prescribed by the DGCL, to issue preferred stock in one or more series, to establish from time to time the number of shares to be included in each series, and to fix the designation, powers, preferences, and rights of the shares of each series and any of its qualifications, limitations, or restrictions, in each case without further vote or action by the Company's shareholders. The Company's board of directors is empowered to increase or decrease the number of shares of any series of the Company's preferred stock, but not below the number of shares of that series then outstanding, without any further vote or action by the Company's shareholders. The Company's board of directors is able to authorize the issuance of the Company's preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of the Company's common stock. The issuance of the Company's preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring, or preventing a change in control of the Company and might adversely affect the market price of the Company's common stock and the voting and other rights of the holders of the Company's common stock. There are currently no plans to issue any shares of the Company's preferred stock.

Board of Directors

The Company's board of directors consists of seven directors. The Amended and Restated Certificate of Incorporation provides that the number of directors shall be fixed only by resolution of the board of directors. Directors are elected by a majority of all of the votes cast in the election of directors.

Takeover Defense Provisions

Certain provisions of Delaware law, the Amended and Restated Certificate of Incorporation and the Amended and Restated Bylaws, may have the effect of delaying, deferring, or discouraging another person from acquiring control of the Company. They are also designed, in part, to encourage persons seeking to acquire control of the Company to negotiate first with the Company's board of directors.

Section 203 of the DGCL

The Company is governed by the provisions of Section 203 of the DGCL. In general, Section 203 of the DGCL prohibits a public Delaware corporation from engaging in a "business combination" with an "interested stockholder" (as those terms are defined in Section 203 of the DGCL) for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

- either the merger or the transaction which resulted in the shareholder becoming an interested stockholder was approved by the board of directors prior to the time that the shareholder became an interested stockholder;
- upon consummation of the transaction which resulted in the shareholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding shares owned by directors who are also officers of the corporation and shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or subsequent to the time the shareholder became an interested stockholder, the merger was approved by the Company's board of directors and authorized at an annual or special meeting of the shareholders, and not by written consent, by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

In general, Section 203 defines a "business combination" to include mergers, asset sales, and other transactions resulting in financial benefit to a shareholder and an "interested stockholder" as a person who, together with affiliates and associates, owns, or, within the prior three years, did own, 15% or more of the corporation's outstanding voting stock. These provisions may have the effect of delaying, deferring, or preventing changes in control of the Company.

Classified Board of Directors

The Amended and Restated Certificate of Incorporation provides that the Company's board of directors is divided into three classes, designated as Class I, Class II and Class III. Each class is an equal number of directors, as nearly as possible, consisting of one-third of the total number of directors constituting the entire board of directors. The term of the initial Class I directors terminates on the date of the first annual meeting of shareholders following the effectiveness of the Amended and Restated Certificate of Incorporation in accordance with the DGCL (the "**Classification Effective Time**"), the term of the initial Class II directors will terminate on the date of the second annual meeting of shareholders following the Classification Effective Time, and the term of the initial Class III directors will terminate on the date of the third annual meeting of shareholders following the Classification Effective Time. At each annual meeting of shareholders, successors to the class of directors whose term expires at that annual meeting will be elected for a three-year term.

Removal of Directors

The Amended and Restated Certificate of Incorporation provides that shareholders may only remove a director for cause and only by the affirmative vote of the holders of a majority of the issued and outstanding capital stock of the Company entitled to vote in the election of directors, voting together as a single class.

Board of Directors Vacancies

The Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws authorize only a majority of the remaining members of the Company's board of directors, although less than a quorum, to fill vacant directorships, including newly created directorships. In addition, subject to the rights of holders of any series of the Company's preferred stock, the number of directors constituting the Company's board of directors is permitted to be set only by a resolution of the Company's board of directors. These provisions prevent a shareholder from increasing the size of the Company's board of directors and then gaining control of the Company's board of directors by filling the resulting vacancies with its own nominees. This will make it more difficult to change the composition of the Company's board of directors and will promote continuity of management.

Shareholder Action; Special Meeting of Shareholders

The Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws provide that the Company's shareholders may not take action by written consent but may only take action at annual or special meetings of the shareholders. As a result, a holder controlling a majority of the Company's capital stock will not be able to amend the Amended and Restated Bylaws, amend the Amended and Restated Certificate of Incorporation or remove directors without holding a meeting of the Company's shareholders called in accordance with the Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws. The Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws further provide that special meetings of shareholders of the Company may be called only by the Company's board of directors, the Chairperson of the Company's board of directors, or the Chief Executive Officer or the President of the Company, thus prohibiting shareholder action to call a special meeting. These provisions might delay the ability of the Company's shareholders to force consideration of a proposal or for shareholders controlling a majority of the Company's capital stock to take any action, including the removal of directors.

Advance notice requirements for shareholder proposals and director nominations

The Amended and Restated Certificate of Incorporation provides that advance notice of shareholder nominations for the election of directors and of business to be brought by shareholders before any meeting of the shareholders of the Company must be given in the manner and to the extent provided in the bylaws of the Company. The Amended and Restated Bylaws provide that, with respect to an annual meeting of the Company's shareholders, nominations of persons for election to the board of directors and the proposal of other business to be transacted by the shareholders may be made only (i) pursuant to the Company's notice of the meeting, (ii) by or at the direction of the Company's board of directors, (iii) as provided in the certificate of designation for any class or series of preferred stock or (iv) by any shareholder who was a shareholder of record at the time of giving the notice required by the Amended and Restated Amended and Restated Bylaws, at the record date(s) set by the board of directors for the purpose of determining shareholders entitled to notice of, and to vote at, the meeting, and at the time of the meeting, and who complies with the advance notice provisions of the Amended and Restated Bylaws.

With respect to special meetings of shareholders, only the business specified in the Company's notice of meeting may be brought before the meeting. Nominations of persons for election to the board of directors may be made only (i) by or at the direction of the Company's board of directors or (ii) if the meeting has been called for the purpose of electing directors, by any shareholder who was a shareholder of record at the time of giving the notice required by the Amended and Restated Bylaws, at the record date(s) set by the board of directors for the purpose of determining shareholders entitled to notice of, and to vote at, the meeting, and at the time of the meeting, and who complies with the advance notice provisions of the Amended and Restated Bylaws.

The advance notice procedures of the Amended and Restated Bylaws provide that, to be timely, a shareholder's notice with respect to director nominations or other proposals for an annual meeting must be delivered to the Company's Secretary at the principal executive office of the Company not earlier than the 120th day nor later than 5:00 p.m., local time, on the 90th day prior to the first anniversary of the date of the proxy statement for the preceding year's annual meeting. In the event that the date of the annual meeting is advanced by more than 30 days before or delayed by more than 70 days after the first anniversary of the date of the preceding year's annual meeting, to be timely, a shareholder's notice must be delivered not earlier than the 120th day prior to the date of such annual meeting and not later than 5:00 p.m., local time, on the later of the 90th day prior to the date of such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made.

These provisions might preclude shareholders of the Company from bringing matters before the annual meeting of shareholders or from making nominations for directors at the annual meeting of shareholders if the proper procedures are not followed. These provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of the Company.

No cumulative voting

The DGCL provides that shareholders are not entitled to cumulate votes in the election of directors unless a corporation's certificate of incorporation provides otherwise. The Amended and Restated Certificate of Incorporation does not provide for cumulative voting and provides that no shareholder is permitted to cumulate votes at any election of directors.

Amendments to Certificate of Incorporation and Bylaws

Except for those amendments permitted to be made without shareholder approval under Delaware law or the Amended and Restated Certificate of Incorporation, the Amended and Restated Certificate of Incorporation generally may be amended only if the amendment is first declared advisable by the board of directors and thereafter approved by holders of a majority of the outstanding stock of the Company entitled to vote thereon. Any amendment of certain provisions in the Amended and Restated Certificate of Incorporation will require approval by holders of at least two-thirds of the voting power of the then-outstanding voting securities of the Company entitled to vote thereon, voting together as a single class. These provisions include, among others, provisions related to the classified board structure, board composition, removal of directors, indemnification and exculpation, cumulative voting rights, preferred stock, exclusive forum provisions, provisions related to shareholder action and advance notice, corporate opportunities and amendments to the charter, in each case as summarized in this proxy statement/prospectus.

The Company's board of directors have the power to adopt, amend or repeal any provision of the Amended and Restated Bylaws. In addition, shareholders of the Company may adopt, amend or repeal any provision of the Amended and Restated Bylaws with the approval by the holders of at least two-thirds of the voting power of the then-outstanding voting securities of the Company entitled to vote thereon, voting together as a single class.

Authorized but Unissued Capital Stock

Delaware law does not require shareholder approval for any issuance of authorized shares. However, the listing requirements of the Nasdaq Stock Market, which would apply if and so long as the common stock remains listed on the Nasdaq Stock Market, require shareholder approval of certain issuances equal to or exceeding 20% of the then-outstanding voting power or then-outstanding number of shares of common stock. Additional shares that may be issued in the future may be used for a variety of corporate purposes, including future public offerings, to raise additional capital or to facilitate acquisitions.

One of the effects of the existence of unissued and unreserved common stock may be to enable the Company's board of directors to issue shares to persons friendly to current management, which issuance could render more difficult or discourage an attempt to obtain control of the Company by means of a merger, tender offer, proxy contest or otherwise and thereby protect the continuity of management and possibly deprive shareholders of opportunities to sell their shares of common stock at prices higher than prevailing market prices.

Exclusive Forum

The Amended and Restated Certificate of Incorporation provides that, unless otherwise consented to by the Company in writing, the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, another State court in Delaware or the federal district court for the District of Delaware) will, to the fullest extent permitted by law, be the sole and exclusive forum for the following types of actions or proceedings: (i) any derivative action or proceeding brought on behalf of the Company; (ii) any action asserting a claim of breach of a duty (including any fiduciary duty) owed by any current or former director, officer, shareholder, employee or agent of the Company to the Company or the Company's shareholders; (iii) any action asserting a claim against the Company or any current or former director, officer, shareholder, employee or agent of the Company relating to any provision of the DGCL or the Amended and Restated Certificate of Incorporation or the Amended and Restated Bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware; (iv) any action asserting a claim against the Company or any current or former director, officer, shareholder, employee or agent of the Company governed by the internal affairs doctrine of the State of Delaware, in each such case unless the Court of Chancery (or such other state or federal court located within the State of Delaware, as applicable) has dismissed a prior action by the same plaintiff asserting the same claims because such court lacked personal jurisdiction over an indispensable party named as a defendant therein. The Amended and Restated Certificate of Incorporation further provides that the federal district courts of the United States will be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. Any person or entity purchasing or otherwise acquiring any interest in the Company's securities will be deemed to have notice of and consented to this provision.

Although the Amended and Restated Certificate of Incorporation contains the choice of forum provisions described above, it is possible that a court could rule that such provisions are inapplicable for a particular claim or action or that such provisions are unenforceable.

The Amended and Restated Certificate of Incorporation further provides that the federal district courts of the United States will be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. In addition, Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder, and, therefore, the exclusive forum provisions described above do not apply to any actions brought under the Exchange Act.

Although we believe these provisions benefit us by limiting costly and time-consuming litigation in multiple forums and by providing increased consistency in the application of applicable law, these exclusive forum provisions may limit the ability of our shareholders to bring a claim in a judicial forum that such shareholders find favorable for disputes with us or our directors, officers or employees, which may discourage such lawsuits against us and our directors, officers and other employees.

Limitations on Liability and Indemnification of Directors and Officers

The DGCL authorizes corporations to limit or eliminate the personal liability of directors to corporations and their shareholders for monetary damages for breaches of directors' fiduciary duties, subject to certain exceptions. The Company's Amended and Restated Certificate of Incorporation includes a provision that eliminates the personal liability of directors for monetary damages for any breach of fiduciary duty as a director to the fullest extent permitted by the DGCL as the same exists or as may hereafter be amended from time to time. The effect of these provisions is to eliminate the rights of the Company and its shareholders, through shareholders' derivative suits on the Company's behalf, to recover monetary damages from a director for breach of fiduciary duty as a director, including breaches resulting from grossly negligent behavior. However, exculpation does not apply to any director if the director has acted in bad faith, knowingly or intentionally violated the law, authorized illegal dividends or redemptions or derived an improper benefit from his or her actions as a director.

The Company's Amended and Restated Certificate of Incorporation permits and the Amended and Restated Bylaws obligate the Company to indemnify, to the fullest extent permitted by the DGCL, any director or officer of the Company 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 (a "**Proceeding**") by reason of the fact that he or she is or was a director or officer of the Company or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding. The Company will not be obligated to indemnify a person in connection with a Proceeding (or part thereof) initiated by such person unless the Proceeding (or part thereof) was, or is, authorized by the board of directors, the Company determines to provide the indemnification or is otherwise required by applicable law. In addition, the Amended and Restated Bylaws require the Company, to the fullest extent permitted by law, to pay, in advance of the final disposition of a Proceeding, expenses (including attorneys' fees) actually and reasonably incurred by an officer or director of the Company in defending any Proceeding, upon receipt of a written request therefor (together with documentation reasonably evidencing such expenses) and an undertaking by or on behalf of the person to repay such amounts if it shall ultimately be determined that the person is not entitled to be indemnified under the Amended and Restated Bylaws or the DGCL.

The Company entered into an indemnification agreement with each of its directors and executive officers that provide for indemnification to the maximum extent permitted by Delaware law.

The Company believes that these indemnification and advancement provisions and insurance are useful to attract and retain qualified directors and executive officers. The limitation of liability and indemnification provisions in the Company's Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws may discourage shareholders from bringing a lawsuit against directors for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit the Company and its shareholders. In addition, your investment may be adversely affected to the extent the Company pays the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors or executive officers, we have been informed that in the opinion of the SEC such indemnification is against public policy and is therefore unenforceable.

Transfer Agent

The Transfer Agent for the Class A Common Stock and Public Warrants is Continental Stock Transfer & Trust Company.

Listing of Common Stock and Warrants

The Class A Common Stock and Public Warrants of the Company trade on Nasdaq under the symbols "DHAI" and "DHAIW," respectively.

Warrants

Public Warrants

Each two warrants entitles the registered holder to purchase one share of Class A Common Stock at a price of \$11.50 per share, subject to adjustment as discussed below. Because the warrants may only be exercised for whole numbers of Class A Common Stock, only an even number of warrants may be exercised at any given time by a warrant holder. The warrants will expire five years after the completion of our initial business combination, at 5:00 p.m., New York City time, or earlier upon redemption or liquidation.

We are not obligated to deliver any shares of Class A Common Stock pursuant to the exercise of a warrant and will have no obligation to settle such warrant exercise unless a registration statement under the Securities Act with respect to the Class A Common Stock underlying the warrants is then effective and a prospectus relating thereto is current, subject to our satisfying our obligations described below with respect to registration. No warrant is exercisable and we are not obligated to issue a share of Class A Common Stock upon exercise of a warrant unless the share of Class 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. In the event that the conditions in the two immediately preceding sentences are not satisfied with respect to a warrant, the holder of such warrant will not be entitled to exercise such warrant and such warrant may have no value and expire worthless. In no event will we be required to net cash settle any warrant.

If a registration statement covering the shares of Class A Common Stock issuable upon exercise of the warrants is not effective within 120 days after the closing of the Initial Business Combination Warrants holders may, until such time as there is an effective registration statement and during any period when we will have failed to maintain an effective registration statement, exercise warrants on a “cashless basis” in accordance with Section 3(a)(9) of the Securities Act or another exemption. Notwithstanding the above, if our Class A Common Stock at the time of any exercise of a warrant is not listed on a national securities exchange such that it satisfies the definition of a “covered security” under Section 18(b)(1) of the Securities Act, we may, at our 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 we so elect, we will not be required to file or maintain in effect a registration statement, and in the event we do not so elect, we will use our best efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available.

Once the warrants become exercisable, we may redeem the outstanding warrants (except as described herein with respect to the private 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 reported last sale price of the Class A Common Stock equals or exceeds \$18.00 per share (as adjusted for share sub-divisions, share dividends, reorganizations, recapitalizations and the like) for any 20 trading days within a 30-trading day period ending three business days before we send the notice of redemption to the warrant holders.

If the foregoing conditions are satisfied and we issue a notice of redemption, each warrant holder can exercise his, her or its warrant prior to the scheduled redemption date. However, the price of our Class A Common Stock may fall below the \$18.00 trigger price, as well as the \$11.50 warrant exercise price after the redemption notice is issued.

If and when the warrants become redeemable by us, we may not exercise our redemption right if the issuance of Class A Common Stock upon exercise of the warrants is not exempt from registration or qualification under applicable state blue sky laws or we are unable to effect such registration or qualification. We will use our best efforts to register or qualify such ordinary shares under the blue sky laws of the state of residence in those states in which the warrants were offered by us in this offering.

We have established the last of the redemption criterion discussed above to prevent a redemption call unless there is at the time of the call a significant premium to the warrant exercise price. If the foregoing conditions are satisfied and we issue a notice of redemption of the warrants, each warrant holder will be entitled to exercise its warrant prior to the scheduled redemption date. However, the price of the Class A Common Stock may fall below the \$18.00 redemption trigger price (as adjusted for share sub-divisions, share dividends, reorganizations, recapitalizations and the like) as well as the \$11.50 warrant exercise price after the redemption notice is issued.

If we call the warrants for redemption as described above, our management will have the option to require any holder that wishes to exercise its warrant to do so on a “cashless basis.” In determining whether to require all holders to exercise their warrants on a “cashless basis,” our management will consider, among other factors, our cash position, the number of warrants that are outstanding and the dilutive effect on our shareholders of issuing the maximum number of shares of Class A Common Stock issuable upon the exercise of our warrants. If our management takes advantage of this option, all holders of warrants would pay the exercise price by surrendering their warrants for that number of shares of Class A Common Stock equal to the quotient obtained by dividing (x) the product of the number of shares of Class A Common Stock underlying the warrants, multiplied by the difference between the exercise price of the warrants and the “fair market value” (defined below) by (y) the fair market value. The “fair market value” shall mean the average reported last sale price of the Class A Common Stock for the 10 trading days ending on the third trading day prior to the date on which the notice of redemption is sent to the holders of warrants. If our management takes advantage of this option, the notice of redemption will contain the information necessary to calculate the number of Class A Common Stock to be received upon exercise of the 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. We believe this feature is an attractive option to us if we do not need the cash from the exercise of the warrants after our initial business combination. If we call our warrants for redemption and our management does not take advantage of this option, our sponsor and its permitted transferees would still be entitled to exercise their private 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 us 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 4.9% or 9.9% (or such other amount as a holder may specify) of the Class A Common Stock outstanding immediately after giving effect to such exercise.

If the number of outstanding shares of Class A Common Stock is increased by a share dividend payable in stock, or by a split-up of stock or other similar event, then, on the effective date of such share dividend, split-up or similar event, the number of shares of Class A Common Stock issuable on exercise of each warrant will be increased in proportion to such increase in the outstanding shares of Class A Common Stock. A rights offering to holders of shares of Class A Common Stock entitling holders to purchase shares of Class A Common Stock at a price less than the fair market value will be deemed a share dividend of a number of Class A Common Stock equal to the product of (i) the number of shares of Class A 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 shares of Class A Common Stock) and (ii) one (1) minus the quotient of (x) the price per share paid in such rights offering divided by (y) the fair market value. For these purposes (i) if the rights offering is for securities convertible into or exercisable for shares of Class A Common Stock, in determining the price payable for Class A 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 volume weighted average price of the Class A Common Stock as reported during the ten (10) trading day period ending on the trading day prior to the first date on which the New DIH Class A Common Stock trades on the applicable exchange or in the applicable market, regular way, without the right to receive such rights.

In addition, if we, at any time while the warrants are outstanding and unexpired, pay a dividend or make a distribution in cash, securities or other assets to the holders of Class A Common Stock on account of such Class A Common Stock (or other shares into which the warrants are convertible), other than (a) as described above, or (b) certain Class A Common Stock cash dividends, then the warrant exercise price will be decreased, effective immediately after the effective date of such event, by the amount of cash and/or the fair market value of any securities or other assets paid on each share of Class A Common Stock in respect of such event.

If the number of outstanding shares of Class A Common Stock is decreased by a consolidation, combination or reclassification of Class A Common Stock or other similar event, then, on the effective date of such consolidation, combination, reclassification or similar event, the number of shares of Class A Common Stock issuable on exercise of each warrant will be decreased in proportion to such decrease in outstanding shares of Class A Common Stock.

Whenever the number of shares of Class A 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 Class A 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 Class A Common Stock so purchasable immediately thereafter.

The warrants are issued in registered form under the Warrant Agreement between Continental, as warrant agent, and us. 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.

The warrants may be exercised upon surrender of the warrant certificate on or prior to the expiration date at the offices of the warrant agent, with the exercise form on the reverse side of the warrant certificate completed and executed as indicated, accompanied by full payment of the exercise price (or on a cashless basis, if applicable), by certified or official bank check payable to us, for the number of warrants being exercised. The warrant holders do not have the rights or privileges of holders of Class A Common Stock and any voting rights until they exercise their warrants and receive shares of Class A Common Stock. After the issuance of shares of Class A Common Stock upon exercise of the warrants, each holder will be entitled to one (1) vote for each share held of record on all matters to be voted on by shareholders.

Private Placement Warrants

Except as described herein, the private placement warrants have terms and provisions that are identical to those of the warrants being sold as part of the units in this offering, including as to exercise price, exercisability and exercise period.

We have policies in place that prohibit insiders from selling our securities except during specific periods of time. Even during such periods of time when insiders will be permitted to sell our securities, an insider cannot trade in our securities if he or she is in possession of material non-public information. Accordingly, unlike public shareholders who could sell their shares of Class A Common Stock issuable upon exercise of the warrants freely in the open market, the insiders could be significantly restricted from doing so. As a result, we believe that allowing the holders to exercise such warrants on a cashless basis is appropriate.

In addition, holders of our private placement warrants are entitled to certain registration rights.

DIH Technology Code of Business Ethics

For Officers, Directors, and Employees of DIH Technology

I. Introduction

This Code of Ethics (the “Code”) has been adopted by the Board of Directors (the “Board”) of DIH Technology (the “Company”) and puts forth the standards that guide all employees, officers, and directors of the Company. Our commitment to the highest level of ethical conduct should be reflected in all the Company’s business activities including, but not limited to, relationships with employees, customers, suppliers, competitors, the government, the public, or our stockholders.

The Company strives to maintain the highest standard of accuracy, completeness, and disclosure in its reports submitted to and filed with the Securities and Exchange Commission and in its other public communications. These standards serve as the basis for managing the Company’s business, for meeting the Company’s duties to its shareholders and for maintaining compliance with applicable laws, rules, and regulations.

While these standards cover a wide range of business practices and procedures, these standards cannot and do not cover every issue that may arise, or every situation where ethical decisions must be made, but rather constitute key guiding principles that represent Company policies and establish conditions for employment at the company. By working with the Company, you agree to comply with the Code, and to revisit and review it regularly and whenever notified of material changes.

II. Compliance with Laws, Rules and Regulations

We are strongly committed to conducting our business affairs with honesty and integrity and in full compliance with all applicable laws, rules, and regulations that apply to our business, including, but not limited to, those that govern the development, manufacturing, marketing, promotion and distribution of products; securities laws; privacy laws; employment laws; and any other federal, state, or foreign law that applies in each jurisdiction in which we conduct our business. No employee, officer, or director of the Company shall commit an illegal or unethical act, or instruct others to do so, for any reason.

In certain aspects of our business, we have made additional commitments to comply with generally accepted industry codes of ethical conduct and institutional guidelines. In the event local laws and regulatory requirements differ from the Code or other Company policy, the stricter requirements shall generally apply.

III. Insider Trading

Employees who have access to confidential (or “inside”) information are not permitted to use or share that information for stock trading purposes or for any other purpose except to conduct our business. All non-public information about the Company or about companies with which we do business is considered confidential information. To use material non-public information in connection with buying or selling securities, including “tipping” others who might make an investment decision on the basis of this information, is not only unethical, it is illegal. Employees must exercise the utmost care when

handling material inside information. Please refer to the Company's Insider Trading Policy for more detailed information.

IV. International Business Laws

Our employees are expected to comply with the applicable laws in all countries to which they travel, in which they operate and where we otherwise do business, including laws prohibiting bribery, corruption or the conduct of business with specified individuals, companies or countries. The fact that, in some countries, certain laws are not enforced or that violation of those laws is not subject to public criticism will not be accepted as an excuse for noncompliance. In addition, we expect employees to comply with U.S. laws, rules and regulations governing the conduct of business by its citizens and corporations outside the U.S.

These U.S. laws, rules and regulations, which extend to all our activities outside the U.S., include:

- the Foreign Corrupt Practices Act, which prohibits directly or indirectly giving anything of value to a government official to obtain or retain business or favorable treatment and requires the maintenance of accurate books of account, with all company transactions being properly recorded;
- U.S. Embargoes, which generally prohibit U.S. companies, their subsidiaries and their employees from doing business with countries, or traveling to, subject to sanctions imposed by the U.S. government;
- U.S. Export Controls, which restrict exports from the U.S. and re-exports from other countries of goods, software and technology to many countries, and prohibits transfers of U.S.-origin items to denied persons and entities; and
- Antiboycott Regulations, which prohibit U.S. companies from taking any action that has the effect of furthering or supporting a restrictive trade practice or boycott imposed by a foreign country against a country friendly to the U.S. or against any U.S. person.

V. Environment, Health, and Safety

The Company is committed to conducting its business in compliance with all applicable environmental and workplace health and safety laws and regulations. The Company strives to provide a safe and healthy work environment for our employees and to avoid adverse impact and injury to the environment and communities in which we conduct our business. Achieving this goal is the responsibility of all employees, officers, and directors. To ensure compliance with such standards, all employees, officers, and directors are expected to abide by all workplace policies and procedures implemented by the Company relevant to their jobs and/or the Company's facilities.

VI. Privacy

Employees are required to observe the provisions of any other specific policy regarding data protection, privacy and confidential information that the Company may adopt from time to time, as well as any applicable laws relating to data protection and privacy. If an employee becomes aware of any instance of inappropriate handling of information or data or any security breach, the employee should report it immediately to the Legal and Compliance Departments.

VII. Conflicts of Interest

We respect the rights of our employees to manage their personal affairs and investments and do not wish to impinge on their personal lives. At the same time, employees should avoid conflicts of interest that occur when their personal interests may interfere in any way with the performance of their duties or the best interests of the Company. A conflicting personal interest could result from an expectation of personal gain now or in the future or from a need to satisfy a prior or concurrent personal obligation. We expect our employees to be free from influences that conflict with the best interests of the Company or might deprive the Company their undivided loyalty in business dealings. Even the appearance of a conflict of interest where none actually exists can be damaging and should be avoided. Whether or not a conflict of interest exists or will exist can be unclear. Conflicts of interest are prohibited unless specifically authorized as described below.

If you have any questions about a potential conflict or if you become aware of an actual or potential conflict, and you are not an officer or director of the Company, you should discuss the matter with your supervisor or the Chief Compliance Officer. Supervisors may not authorize conflict of interest matters or make determinations as to whether a problematic conflict of interest exists without first seeking the approval of the Chief Compliance Officer and providing the Chief Compliance Officer with a written description of the activity. If the supervisor is involved in the potential or actual conflict, you should discuss the matter directly with the Chief Compliance Officer. Officers and directors may seek authorizations and determinations from the Company's Nominating and Governance Committee. Factors that may be considered in evaluating a potential conflict of interest are, among others:

- whether it may interfere with the employee's job performance, responsibilities or morale;
 - whether the employee has access to confidential information;
 - whether it may interfere with the job performance, responsibilities or morale of others within the organization;
 - any potential adverse or beneficial impact on our business;
 - any potential adverse or beneficial impact on our relationships with our customers or suppliers or other service providers;
 - whether it would enhance or support a competitor's position;
-

- the extent to which it would result in financial or other benefit (direct or indirect) to the employee;
- the extent to which it would result in financial or other benefit (direct or indirect) to one of our customers, suppliers or other service providers; and
- the extent to which it would appear improper to an outside observer.

Although no list can include every possible situation in which a conflict of interest could arise, the following are examples of situations that may, depending on the facts and circumstances, involve problematic conflicts of interests:

- Employment by (including consulting for) or service on the board of a competitor, customer or supplier or other service provider. Activity that enhances or supports the position of a competitor to the detriment of the Company is prohibited, including employment by or service on the board of a competitor. Employment by or service on the board of a customer or supplier or other service provider is generally discouraged and you must seek authorization in advance if you plan to take such a position.
 - Owning, directly or indirectly, a significant financial interest in any entity that does business, seeks to do business or competes with us. In addition to the factors described above, persons evaluating ownership in other entities for conflicts of interest will consider the size and nature of the investment; the nature of the relationship between the other entity and the Company; the employee's access to confidential information and the employee's ability to influence Company decisions. If you would like to acquire a financial interest of that kind, you must seek approval in advance.
 - Soliciting or accepting gifts, favors, loans or preferential treatment from any person or entity that does business or seeks to do business with us. See Section 12 for further discussion of the issues involved in this type of conflict.
 - Soliciting contributions to any charity or for any political candidate from any person or entity that does business or seeks to do business with us.
 - Taking personal advantage of corporate opportunities. See Section 9 for further discussion of the issues involved in this type of conflict.
 - Moonlighting without permission. Other than with the prior written consent of the V.P., People Operations, simultaneous employment or consulting with any other entity or enterprise is strictly prohibited.
 - Conducting our business transactions with your family member or a business in which you have a significant financial interest. Material related-party transactions approved by the Audit Committee and involving any executive officer or director will be publicly disclosed as required
-

by applicable laws and regulations in keeping with the Company's Related Persons Transactions Policy.

- Exercising supervisory or other authority on behalf of the Company over a co-worker who is also a family member. The employee's supervisor and/or the Chief Compliance Officer will consult with the People Operations department to assess the advisability of reassignment.

Loans to, or guarantees of obligations of, employees or their family members by the Company could constitute an improper personal benefit to the recipients of these loans or guarantees, depending on the facts and circumstances. Some loans are expressly prohibited by law and applicable law requires that our Board of Directors approve all loans and guarantees to employees. As a result, all loans and guarantees involving employees by the Company must be approved in advance by the Board of Directors after recommendation of the Board's Nominating and Corporate Governance Committee.

VIII. Protection of Proprietary Information

Confidential proprietary information generated and gathered in our business is a valuable Company asset. Protecting this information plays a vital role in our continued growth and ability to compete. All proprietary information, whether relating to the Company or entrusted to the Company by a customer, supplier, or other business partner, should be maintained in strict confidence, except when disclosure is authorized by the Company or required by law.

Proprietary information includes all non-public information that might be useful to competitors or that could be harmful to the Company, its customers or its suppliers if disclosed. Intellectual property, such as trade secrets, patents, trademarks and copyrights, as well as business, research and new product plans, objectives and strategies, clinical trial results, records, databases, salary and benefits data, employee medical information, customer, employee and suppliers lists, any unpublished pricing information and any information about patients on whom our products have been used must also be protected. In addition, financial information about the Company should, under all circumstances, be considered confidential unless and until it has been made public in a press release or a report filed with the SEC.

To help protect confidential information, the following principles should apply:

- using caution when conducting business activities in a public space;
 - monitoring and confirming requests for information from external sources;
 - appropriately marking and identifying any confidential and proprietary information;
 - exercising care when storing and transmitting confidential information;
 - securing confidential information while working in unsecure workspaces or public areas;
 - promptly reporting any incident of improper or accidental disclosure to your supervisor and the Legal and Compliance Departments; and
-

- obtaining valid confidentiality and non-disclosure agreements with any third party, including customers and suppliers, prior to any disclosure and only disclosing confidential information as necessary for the authorized purpose.

Unauthorized use or distribution of proprietary information violates Company policy and could be illegal. Unauthorized use or distribution could result in negative consequences for both the Company and the individuals involved, including potential legal and disciplinary actions. We respect the property rights and proprietary information of other companies and require our employees, officers, and directors to observe such rights. Indeed, the Company is often contractually bound not to disclose the confidential and proprietary information of a variety of companies and individuals, including inventors, vendors and potential vendors. In addition, Company employees who have signed non-disclosure agreements with their former employers are expected to fully and strictly adhere to the terms of those agreements.

Your obligation to protect the Company's proprietary and confidential information continues even after you leave the Company, and you must return all proprietary information in your possession upon leaving the Company.

IX. Corporate Opportunities

As an employee or director of the Company, you have an obligation to advance the Company's interests when the opportunity to do so arises. If you discover or are presented with a business opportunity through the use of corporate property or information or because of your position with the Company, you should first present the business opportunity to the Company before pursuing the opportunity in your individual capacity. No employee or director may use corporate property, information or his or her position with the Company for personal gain while employed by us or, for a director, while serving on our Board of Directors.

You should disclose to your supervisor the terms and conditions of each business opportunity covered by this Code that you wish to pursue. Your supervisor will contact the Company's Legal Counsel and the appropriate management personnel to determine whether the Company wishes to pursue the business opportunity. If the Company waives its right to pursue the business opportunity, you may pursue the business opportunity on the same terms and conditions as originally proposed and consistent with the other ethical guidelines set forth in this Code.

X. Accuracy and Quality of Records and Public Disclosures

The integrity of our records and public disclosure depends upon the validity, accuracy and completeness of the information supporting the entries to our books of account. Therefore, our corporate and business records should be completed accurately and honestly. The making of false or misleading entries, whether they relate to financial results or test results, is strictly prohibited. Our records serve as a basis for managing our business and are important in meeting our obligations to customers, suppliers, creditors, employees and others with whom we do business. As a result, it is important that our books,

records and accounts accurately and fairly reflect, in reasonable detail, our assets, liabilities, revenues, costs and expenses, as well as all transactions and changes in assets and liabilities. We require that:

- no entry be made in our books and records that intentionally hides or disguises the nature of any transaction or of any of our liabilities or misclassifies any transactions as to accounts or accounting periods;
- transactions be supported by appropriate documentation;
- the terms of sales and other commercial transactions be reflected accurately in the documentation for those transactions and all such documentation be reflected accurately in our books and records;
- employees comply with our system of internal controls; and
- no cash or other assets be maintained for any purpose in any unrecorded or "off-the-books" fund.

Our accounting records are also relied upon to produce reports for our management, stockholders and creditors, as well as for governmental agencies. In particular, we rely upon our accounting and other business and corporate records in preparing the periodic and current reports that we file with the SEC. Securities laws require that these reports provide full, fair, accurate, timely and understandable disclosure and fairly present our financial condition and results of operations. Employees who collect, provide or analyze information for or otherwise contribute in any way in preparing or verifying these reports should strive to ensure that our financial disclosure is accurate and transparent and that our reports contain all of the information about the Company that would be important to enable stockholders and potential investors to assess the soundness and risks of our business and finances and the quality and integrity of our accounting and disclosures. In addition:

- no employee may take or authorize any action that would intentionally cause our financial records or financial disclosure to fail to comply with generally accepted accounting principles, the rules and regulations of the SEC or other applicable laws, rules and regulations;
- all employees must cooperate fully with our Finance Department, as well as our independent public accountants and counsel, respond to their questions with candor and provide them with complete and accurate information to help ensure that our books and records, as well as our reports filed with the SEC, are accurate and complete; and
- no employee should knowingly make (or cause or encourage any other person to make) any false or misleading statement in any of our reports filed with the SEC or knowingly omit (or cause or encourage any other person to omit) any information necessary to make the disclosure in any of our reports accurate in all material respects.

Any employee who becomes aware of any departure from these standards has a responsibility to report his or her knowledge promptly to a supervisor, the Chief Compliance Officer, the Audit Committee of the

Board or one of the other compliance resources or in accordance with the provisions of the Company's Whistleblower Policy on reporting complaints regarding accounting and auditing matters.

XI. Record Retention

The Company's records must be maintained, stored and when appropriate, destroyed in accordance with industry best practices, our internal policies and in compliance with all applicable laws and regulations. Under certain circumstances, such as litigation or governmental agency requests, the Company may be required to preserve documents and information beyond their normal retention period. Employees, officers, and directors shall never create, alter or destroy records or documents for impeding the efforts of any investigation, litigation, or government or regulatory agency investigation.

XII. Fair Dealing

The Company strives to compete vigorously and to gain advantages over its competitors through superior business performance, not through unethical or illegal business practices. Each employee, officer, and director of the Company should endeavor to deal fairly with customers, suppliers, competitors, the public, and one another at all times and in accordance with ethical business practices. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice. No bribes, kickbacks, or other similar payments in any form shall be made directly or indirectly to or for anyone for the purpose of obtaining or retaining business or obtaining any other favorable action. In addition, all business dealings must be on arm's length terms and free of any favorable treatment resulting from the personal interest of our directors, executive officers and employees. The Company and any employee, officer, or director involved may be subject to disciplinary action as well as potential civil or criminal liability for violation of this Code.

Occasional business gifts to, or entertainment of, customers or suppliers (other than healthcare providers and government employees) in connection with business discussions or the development of business relationships are generally deemed appropriate in the conduct of Company business. These gifts should be given infrequently, of reasonable to modest value, not consist of cash or cash equivalents, and be compliant with any laws, regulations, or applicable policies of the recipient's organization. Gifts or entertainment in any form that would likely result in a feeling or expectation of personal obligation should not be extended or accepted. Every effort should be made to refuse or return a gift that is beyond these permissible guidelines. If it would be inappropriate or not possible to refuse or to return a gift, promptly report the gift to your supervisor or the Legal and Compliance Departments. Gifts to and entertainment of healthcare providers and government employees is prohibited. If you have any questions regarding a proposed gift to be offered to or by the Company, please consult with your supervisor or the Legal and Compliance Departments.

Except in certain limited circumstances, the Foreign Corrupt Practices Act and other applicable anti-corruption laws prohibit giving anything of value directly or indirectly to any "foreign official" for the purpose of obtaining or retaining business. When in doubt as to whether a contemplated payment or gift may violate any applicable anti-corruption laws, contact the Legal and Compliance Departments before

taking any action.

XIII. Gifts and Entertainment

Business gifts and entertainment are meant to create goodwill and sound working relationships and not to gain improper advantage with customers or facilitate approvals from government officials. The exchange, as a normal business courtesy, of meals or entertainment (such as tickets to a game or the theatre or a round of golf) is a common and typically acceptable practice as long as it is not extravagant and limited. Unless express permission is received from the Chief Compliance Officer, his or her designee or the Audit Committee, gifts and entertainment cannot be offered, provided or accepted by any employee unless consistent with customary business practices and not (a) of more than token or nominal monetary value (i.e., more than \$200), (b) in cash, (c) susceptible of being construed as a bribe or kickback, (d) made or received on a regular or frequent basis or (e) in violation of any laws. This principle applies to our transactions everywhere in the world, even where the practice is widely considered "a way of doing business." Employees should not accept gifts or entertainment that may reasonably be deemed to affect their judgment or actions in the performance of their duties. Our customers, suppliers and the public at large should know that our employees' judgment is not for sale.

Under some statutes, such as the U.S. Foreign Corrupt Practices Act, giving anything of value to a government official to obtain or retain business or favorable treatment is a criminal act subject to prosecution and conviction. Furthermore, gratuities and payments to Health Care Professionals and teaching hospitals must be in accordance with federal and state laws, including the federal AntiKickback Statute and Physician Payments Sunshine Act and similar state laws. Discuss with the Chief Compliance Officer or his or her designee any proposed entertainment or gifts if you are uncertain about their appropriateness.

XIV. Relationships with Healthcare Professionals

The Company's employees and directors must abide by all applicable laws, regulations and industry guidelines when contracting with, working with, compensating and otherwise reimbursing Health Care Professionals, HCPs, in connection with their work for the Company. The Company will comply with all applicable federal disclosure requirements related to payments to and arrangements with HCPs, including the federal Physician Payments Sunshine Act.

XV. Compliance with this Code and Reporting of Any Illegal or Unethical Behavior

All employees, directors, and officers are expected to comply with all of the provisions of this Code. The Code will be strictly enforced throughout the Company and violations will be dealt with immediately, including subjecting persons to corrective and/or disciplinary action such as dismissal or removal from office. Violations of the Code that involve illegal behavior will be reported to the appropriate authorities. Situations that may involve a violation of ethics, laws, rules, regulations, or this Code may not always be clear and may require difficult judgment. Employees, directors, or officers should report any concerns or questions about a violation of ethics, laws, rules, regulations or this Code to their supervisors/managers,

the Legal and Compliance Departments, or, in the case of accounting, internal accounting controls, or auditing matters, the Audit Committee.

Any concerns about a violation of ethics, laws, rules, regulations, or this Code by any senior executive officer or director should be reported promptly to Legal Counsel. For any such concerns relating to the accounting, internal accounting controls, auditing matters, or legal compliance matters, Legal Counsel shall notify the Audit Committee of any suspected violations; in all other matters, Legal Counsel shall notify the Nominating Committee of any violation. Any such concerns involving Legal Counsel may be reported directly to the Nominating Committee or Audit Committee, as appropriate.

An anonymous report should provide enough information about the incident or situation to allow the Company to investigate properly. If concerns or complaints require confidentiality, including keeping an identity anonymous, the Company will endeavor to protect this confidentiality, subject to applicable law, regulation, or legal proceedings. The Company encourages all employees, officers, and directors to report any suspected violations promptly and intends to thoroughly investigate any good faith reports of violations. The Company will not tolerate any kind of retaliation for reports or complaints regarding misconduct that were made in good faith. Open communication of issues and concerns by all employees without fear of retribution or retaliation is vital to the successful implementation of this Code. All employees, officers, and directors are required to cooperate in any internal investigations of misconduct and unethical behavior and to respond to any questions in a complete and truthful manner.

The Company recognizes the need for this Code to be applied equally to everyone it covers. Legal Counsel will have primary authority and responsibility for the enforcement of this Code, subject to the supervision of the Nominating Committee, or, in the case of accounting, internal accounting controls, or auditing matters, the Audit Committee, and the Company will devote the necessary resources to enable Legal Counsel to establish such procedures as may be reasonably necessary to create a culture of accountability and facilitate compliance with the Code.

XVI. Waivers

Any waiver of this Code for executive officers (including, where required by applicable laws, our principal executive officer, principal financial officer, principal accounting officer or controller (or persons performing similar functions)) or directors may be authorized only by our Board of Directors or, to the extent permitted by Nasdaq rules and our Corporate Governance Guidelines, a committee of the Board and will be disclosed to stockholders as required by applicable laws, rules and regulations.

XVII. No Rights Created

This Code is a statement of certain fundamental principles, policies and procedures that govern the Company's employees, officers, and directors in the conduct of the Company's business. It is not intended to and does not create any legal rights for any employee, customer, client, visitor, supplier, competitor, stockholder, or any other person or entity.

XVIII. Administration, Modification and Amendment



The Nominating Committee is generally responsible for overseeing the establishment of procedures to enforce the Code, except for any matters relating to accounting, internal accounting controls, or auditing, or to the review and approval or ratification of Related Party Transactions, which are governed by the Audit Committee. The Nominating Committee and the Audit Committee will periodically review this Code and recommend any proposed changes to the Board for approval. Any amendments to this Code will be posted on the Company's website.

CERTIFICATION

I, Jason Chen, certify that:

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

Date: May 20, 2024

/s/ Jason Chen

Jason Chen
Chief Executive Officer

CERTIFICATION

I, Lynden Bass, certify that:

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

Date: May 20, 2024

/s/ Lynden Bass

Lynden Bass
Chief Financial Officer

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

In connection with the Annual Report of DIH Holding US, Inc. (the "Company") on Form 10-K/A pursuant for the year ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jason Chen, Chief Executive Officer (Principal Executive Officer) of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: May 20, 2024

/s/ Jason Chen

Jason Chen
Chief Executive Officer

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

In connection with the Annual Report of DIH Holding US, Inc. (the “Company”) on Form 10-K/A for the year ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Lynden Bass, Chief Financial Officer (Principal Financial Officer) of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: May 20, 2024

/s/ Lynden Bass

Lynden Bass
Chief Financial Officer

DIH HOLDING US, INC.

CLAWBACK POLICY

Introduction

The Board of Directors (the “Board”) of DIH Holding US, Inc. (the “Company”) believes that it is in the best interests of the Company and its shareholders to create and maintain a culture that emphasizes integrity and accountability and that reinforces the Company’s pay-for-performance compensation philosophy. The Board has therefore adopted this policy which provides for the recoupment of certain executive compensation in the event of an accounting restatement resulting from material noncompliance with financial reporting requirements under the federal securities laws (the “Policy”). This Policy is designed to comply with Section 10D of the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

Administration

This Policy shall be administered by the Board or, if so designated by the Board, the Compensation Committee, in which case references herein to the Board shall be deemed references to the Compensation Committee. Any determinations made by the Board shall be final and binding on all affected individuals.

Covered Executives

This Policy applies to the Company’s current and former executive officers, as determined by the Board in accordance with Section 10D of the Exchange Act and the listing standards of the national securities exchange on which the Company’s securities are listed, and such other senior executives/employees who may from time to time be deemed subject to the Policy by the Board (“Covered Executives”).

Recoupment; Accounting Restatement

In the event the Company is required to prepare an accounting restatement of its financial statements due to the Company’s material noncompliance with any financial reporting requirement under the securities laws, the Board will require reimbursement or forfeiture of any excess Incentive Compensation received by any Covered Executive during the three completed fiscal years immediately preceding the date on which the Company is required to prepare an accounting restatement.

Incentive Compensation

For purposes of this Policy, Incentive Compensation means any of the following; provided that, such compensation is granted, earned, or vested based wholly or in part on the attainment of a financial reporting measure:

- Annual bonuses and other short- and long-term cash incentives.
 - Stock options.
 - Stock appreciation rights.
 - Restricted stock.
 - Restricted stock units.
 - Performance shares.
 - Performance units.
-

Financial reporting measures include:

- Company stock price.
- Total shareholder return.
- Revenues.
- Net income.
- Earnings before interest, taxes, depreciation, and amortization (EBITDA).
- Funds from operations.
- Liquidity measures such as working capital or operating cash flow.
- Return measures such as return on invested capital or return on assets.
- Earnings measures such as earnings per share.

Excess Incentive Compensation: Amount Subject to Recovery

The amount to be recovered will be the excess of the Incentive Compensation paid to the Covered Executive based on the erroneous data over the Incentive Compensation that would have been paid to the Covered Executive had it been based on the restated results, as determined by the Board.

If the Board cannot determine the amount of excess Incentive Compensation received by the Covered Executive directly from the information in the accounting restatement, then it will make its determination based on a reasonable estimate of the effect of the accounting restatement.

Method of Recoupment

The Board will determine, in its sole discretion, the method for recouping Incentive Compensation hereunder which may include, without limitation:

- (a) requiring reimbursement of cash Incentive Compensation previously paid;
- (b) seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards;
- (c) offsetting the recouped amount from any compensation otherwise owed by the Company to the Covered Executive;
- (d) cancelling outstanding vested or unvested equity awards; and/or
- (e) taking any other remedial and recovery action permitted by law, as determined by the Board.

No Indemnification

The Company shall not indemnify any Covered Executives against the loss of any incorrectly awarded Incentive Compensation.

Interpretation

The Board is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. It is intended that this Policy be interpreted in a manner that is consistent with the requirements of Section 10D of the Exchange Act and any applicable rules or standards adopted by the Securities and Exchange Commission or any national securities exchange on which the Company's securities are listed.

Effective Date

This Policy shall be effective as of the date it is adopted by the Board (the "Effective Date") and shall apply to Incentive Compensation that is approved, awarded or granted to Covered Executives on or after that date.

Amendment; Termination

The Board may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary to reflect final regulations adopted by the Securities and Exchange Commission under Section 10D of the Exchange Act and to comply with any rules or standards adopted by a national securities exchange on which the Company's securities are listed. The Board may terminate this Policy at any time.

Other Recoupment Rights

The Board intends that this Policy will be applied to the fullest extent of the law. The Board may require that any employment agreement, equity award agreement, or similar agreement entered into on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require a Covered Executive to agree to abide by the terms of this Policy. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or similar agreement and any other legal remedies available to the Company.

Impracticability

The Board shall recover any excess Incentive Compensation in accordance with this Policy unless such recovery would be impracticable, as determined by the Board in accordance with Rule 10D-1 of the Exchange Act and the listing standards of the national securities exchange on which the Company's securities are listed.

Successors

This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

Approved by the Board of Directors of DIH Holding US, Inc.: February 7, 2023

Effective: October 2, 2023

DIH HOLDING US, INC.

INSIDER TRADING COMPLIANCE POLICY

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DIH HOLDING US, INC.

INSIDER TRADING COMPLIANCE POLICY

I. SUMMARY

Preventing insider trading is necessary to comply with securities laws and to preserve the reputation and integrity of DIH Holding US, Inc. (together with its subsidiaries, the “*Company*”) as well as that of all persons affiliated with the Company. “Insider trading” occurs when any person purchases or sells a security while in possession of inside information relating to the security. As explained in Section III below, “inside information” is information that is both “material” and “non-public.” Insider trading is a crime. The penalties for violating insider trading laws include imprisonment, disgorgement of profits, civil fines, and criminal fines of up to \$5 million for individuals and \$25 million for corporations. Insider trading is also prohibited by this Insider Trading Compliance Policy (this “*Policy*”), and violation of this Policy may result in Company-imposed sanctions, including removal or dismissal for cause.

This Policy applies to all directors, officers and employees of the Company. Individuals subject to this Policy are responsible for ensuring that members of their households also comply with this Policy. This Policy also applies to any entities controlled by individuals subject to the Policy, including any corporations, partnerships or trusts, and transactions by these entities should be treated for the purposes of this Policy and applicable securities laws as if they were for the individual’s own account. This Policy extends to all activities within and outside an individual’s Company duties. Every director, officer and employee must review this Policy. Questions regarding the Policy should be directed to the Company’s Chief Financial Officer.

II. STATEMENT OF POLICIES PROHIBITING INSIDER TRADING

No director, officer or employee shall purchase or sell any type of security while in possession of material, non-public information relating to the security, whether the issuer of such security is the Company or any other company.

Additionally, no director, officer or employee shall purchase or sell any security of the Company during the period beginning on the 14th calendar day before the end of any fiscal quarter of the Company and ending upon completion of one full trading day after the public release of earnings data for such fiscal quarter or during any other trading suspension period declared by the Company. For the purposes of this Policy, a “*trading day*” is a day on which national stock exchanges are open for trading.

These prohibitions do not apply to:

- purchases of the Company’s securities from the Company or sales of the Company’s securities to the Company;
 - exercises of stock options or other equity awards or the surrender of shares to the Company in payment of the exercise price or in satisfaction of any tax withholding obligations in a manner permitted by the applicable equity award agreement, or vesting of equity-based awards, that in each case do not involve a market sale of the Company’s securities (the “cashless exercise” of a Company stock option through a broker does involve a market sale of the Company’s securities, and therefore would not qualify under this exception);
 - *bona fide* gifts of the Company’s securities; or
-

- purchases or sales of the Company's securities made pursuant to any binding contract, specific instruction or written plan entered into while the purchaser or seller, as applicable, was unaware of any material, non-public information and which contract, instruction or plan (i) meets all requirements of the affirmative defense provided by Rule 10b5-1 ("**Rule 10b5-1**") promulgated under the Securities Exchange Act of 1934, as amended (the "**1934 Act**"), (ii) was pre-cleared in advance pursuant to this Policy and (iii) has not been amended or modified in any respect after such initial pre-clearance without such amendment or modification being pre-cleared in advance pursuant to this Policy. For more information about Rule 10b5-1 trading plans, see Section VI below.

No director, officer or employee shall directly or indirectly communicate (or "**tip**") material, non-public information to anyone outside the Company, including family members and friends, (except by authorized representatives in accordance with the Company's policies regarding the protection or authorized external disclosure of Company information) or to anyone within the Company other than on a need-to-know basis.

III. EXPLANATION OF INSIDER TRADING

"**Insider trading**" refers to the purchase or sale of a security while in possession of "material," "non-public" information relating to the security.

"**Securities**" includes stocks, bonds, notes, debentures, options, warrants and other convertible securities, as well as derivative instruments.

"**Purchase**" and "**sale**" are defined broadly under the federal securities law. "**Purchase**" includes not only the actual purchase of a security, but any contract to purchase or otherwise acquire a security. "**Sale**" includes not only the actual sale of a security, but any contract to sell or otherwise dispose of a security. These definitions extend to a broad range of transactions, including conventional cash-for-stock transactions, conversions, the exercise of stock options, and acquisitions and exercises of warrants or puts, calls or other derivative securities.

It is generally understood that insider trading includes the following:

- Trading by insiders while in possession of material, non-public information;
- Trading by persons other than insiders while in possession of material, non-public information, if the information either was given in breach of an insider's fiduciary duty to keep it confidential or was misappropriated; and
- Communicating or tipping material, non-public information to others, including recommending the purchase or sale of a security while in possession of such information.

A. What Facts are Material?

The materiality of a fact depends upon the circumstances. A fact is considered "material" if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell or hold a security, or if the fact is likely to have a significant effect on the market price of the security. Material information can be positive or negative and can relate to virtually any aspect of a company's business or to any type of security, debt or equity.

Examples of material information include (but are not limited to) information about dividends; corporate earnings or earnings forecasts; changes in earnings estimates or unusual gains or losses in major operations; possible mergers, acquisitions, tender offers or dispositions; major new product offerings; important business developments such as major contracts or cancellation of major contracts, trial results, developments regarding strategic collaborators or the status of regulatory submissions; management or control changes; significant borrowing or financing developments including pending public sales or offerings of debt or equity securities; defaults on borrowings; bankruptcies; major changes in accounting methods or policies; cybersecurity risks and incidents, including vulnerabilities and breaches; changes in debt ratings; significant changes in the Company's prospects; significant write-downs in assets or increases in reserves; liquidity problems; and significant litigation or regulatory actions. Material information is not limited to historical facts but may also include projections and forecasts. Moreover, material information does not have to be related to a company's business. For example, the contents of a forthcoming newspaper column that is expected to affect the market price of a security can be material.

A good general rule of thumb: When in doubt, do not trade.

If you are unsure whether information is material, you should either consult the Chief Financial Officer before making any decision to disclose such information (other than to persons who need to know it) or to trade in or recommend securities to which that information relates or assume that the information is material.

B. What is Non-public?

Information is "non-public" if it is not available to the general public. The fact that information has been disclosed to a few members of the public does not make it public for insider trading purposes. In order for information to be considered public, it must be widely disseminated in a manner making it generally available to investors through such media as Dow Jones, Business Wire, Reuters, The Wall Street Journal, Associated Press, or United Press International, a broadcast on widely available radio or television programs, publication in a widely available newspaper, magazine or news web site, a Regulation FD-compliant conference call, or public disclosure documents filed with the Securities and Exchange Commission ("**SEC**") that are available on the SEC's web site.

The circulation of rumors, even if accurate and reported in the media, does not constitute effective public dissemination. In addition, even after a public announcement, a reasonable period of time must lapse in order for the market to react to the information. Generally, one should allow one full trading day following publication as a reasonable waiting period before such information is deemed to be public.

C. Who is an Insider?

"Insiders" include directors, officers and employees of a company and anyone else who has material inside information about a company. Insiders of a company have independent fiduciary duties to it and its stockholders not to trade on material, non-public information relating to the company's securities. All directors, officers and employees of the Company should consider themselves insiders with respect to material, non-public information about the Company's business, activities and securities. Directors, officers and employees may not trade in the Company's securities while in possession of material, non-public information relating to the Company, nor may they tip such information to anyone outside the Company or to anyone within the Company other than on a need-to-know basis.

Individuals subject to this Policy are responsible for ensuring that members of their households also comply with this Policy. This Policy also applies to any entities controlled by individuals subject to the Policy, including any corporations, partnerships or trusts, and transactions by these entities should be treated for the purposes of this Policy and applicable securities laws as if they were for the individual's own account.

D. Trading by Persons Other than Insiders

Insiders may be liable for communicating or tipping material, non-public information to a third party (“*tippee*”), and insider trading violations are not limited to trading or tipping by insiders. Persons other than insiders also can be liable for insider trading, including tippees who trade on material, non-public information tipped to them or individuals who trade on material, non-public information that has been misappropriated.

Tippees inherit an insider’s duties and are liable for trading on material, non-public information illegally tipped to them by an insider. Similarly, just as insiders are liable for the insider trading of their tippees, so are tippees who pass the information along to others who trade. In other words, a tippee’s liability for insider trading is no different from that of an insider. Tippees can obtain material, non-public information by receiving overt tips from others or through, among other things, conversations at social, business, or other gatherings.

E. Penalties for Engaging in Insider Trading

Penalties for trading on or tipping material, non-public information can extend significantly beyond any profits made or losses avoided, both for individuals engaging in such unlawful conduct and their employers and supervisors. The SEC and Department of Justice have made the civil and criminal prosecution of insider trading violations a top priority. Enforcement remedies available to the government or private plaintiffs under the federal securities laws include:

- SEC administrative sanctions;
- Securities industry self-regulatory organization sanctions;
- Civil injunctions;
- Damage awards to private plaintiffs;
- Disgorgement of all profits;
- Civil fines for the violator of up to three times the amount of profit gained or loss avoided;
- Civil fines for the employer or other controlling person of a violator (i.e., where the violator is an employee or other controlled person) of up to the greater of \$1,000,000 or three times the amount of profit gained or loss avoided by the violator;
- Criminal fines for individual violators of up to \$5,000,000 (\$25,000,000 for an entity); and
- Jail sentences of up to 20 years.

In addition, insider trading could result in serious sanctions by the Company, including termination of employment. Insider trading violations are not limited to violations of the federal securities laws. Other federal and state civil or criminal laws, such as the laws prohibiting mail and wire fraud and the Racketeer Influenced and Corrupt Organizations Act (RICO), also may be violated in connection with insider trading.

F. Size of Transaction and Reason for Transaction Do Not Matter

The size of the transaction or the amount of profit received does not have to be significant to result in prosecution. The SEC has the ability to monitor even the smallest trades, and the SEC performs routine market surveillance. Brokers or dealers are required by law to inform the SEC of any possible violations by people who may have material, non-public information. The SEC aggressively investigates even small insider trading violations.

G. Examples of Insider Trading

Examples of insider trading cases include actions brought against directors, officers and employees who traded in a company's securities after learning of significant confidential corporate developments; friends, business associates, family members and other tippees of such directors, officers and employees who traded in the securities after receiving such information; government employees who learned of such information in the course of their employment; and other persons who misappropriated, and took advantage of, confidential information from their employers.

The following are illustrations of insider trading violations. These illustrations are hypothetical and, consequently, not intended to reflect on the actual activities or business of the Company or any other entity.

Trading by Insider

An officer of X Corporation learns that earnings to be reported by X Corporation will increase dramatically. Prior to the public announcement of such earnings, the officer purchases X Corporation's stock. The officer, an insider, is liable for all profits as well as penalties of up to three times the amount of all profits. The officer also is subject to, among other things, criminal prosecution, including up to \$5,000,000 in additional fines and 20 years in jail. Depending upon the circumstances, X Corporation and the individual to whom the officer reports also could be liable as controlling persons.

Trading by Tippee

An officer of X Corporation tells a friend that X Corporation is about to publicly announce that it has concluded an agreement for a major acquisition. This tip causes the friend to purchase X Corporation's stock in advance of the announcement. The officer is jointly liable with his friend for all of the friend's profits, and each is liable for all civil penalties of up to three times the amount of the friend's profits. The officer and his friend are also subject to criminal prosecution and other remedies and sanctions, as described above.

H. Prohibition of Records Falsification and False Statements

Section 13(b)(2) of the 1934 Act requires companies subject to the Act to maintain proper internal books and records and to devise and maintain an adequate system of internal accounting controls. The SEC has supplemented the statutory requirements by adopting rules that prohibit (1) any person from falsifying records or accounts subject to the above requirements and (2) directors or officers from making any materially false, misleading, or incomplete statement to any accountant in connection with any audit or filing with the SEC. These provisions reflect the SEC's intent to discourage directors, officers and other persons with access to the Company's books and records from taking action that might result in the communication of materially misleading financial information to the investing public.

IV. STATEMENT OF PROCEDURES PREVENTING INSIDER TRADING

The following procedures have been established, and will be maintained and enforced, by the Company to prevent insider trading. Every director, officer and employee is required to follow these procedures.

A. Pre-Clearance of All Trades by All Directors, Officers and Certain Employees

To provide assistance in preventing inadvertent violations of applicable securities laws and to avoid the appearance of impropriety in connection with the purchase and sale of the Company's securities, all transactions in the Company's securities (including without limitation, acquisitions and dispositions of Company stock and the sale of Company stock issued upon exercise of stock options) by directors, officers and certain employees listed on Schedule I (as amended from time to time) (each, a "**Pre-Clearance Person**") must be pre-cleared by the Company's Chief Financial Officer. Pre-clearance does not relieve anyone of his or her responsibility under SEC rules.

A request for pre-clearance may be oral or in writing (including by e-mail), should be made at least two business days in advance of the proposed transaction and should include the identity of the Pre-Clearance Person, the type of proposed transaction (for example, an open market purchase, a privately negotiated sale, sales in connection with the exercise of an option, etc.), the proposed date of the transaction and the number of shares or other securities to be involved. The Chief Financial Officer shall have sole discretion to decide whether to clear any contemplated transaction. (The Chief Executive Officer shall have sole discretion to decide whether to clear transactions by the Chief Financial Officer or persons or entities subject to this policy as a result of their relationship with the Chief Financial Officer.) All trades that are pre-cleared must be effected within two business days of receipt of the pre-clearance unless a specific exception has been granted by the Chief Financial Officer or the Chief Executive Officer, as applicable. A pre-cleared trade (or any portion of a pre-cleared trade) that has not been effected during the two business day period must be pre-cleared again prior to execution. Notwithstanding receipt of pre-clearance, if the Pre-Clearance Person becomes aware of material non-public information or becomes subject to a black-out period before the transaction is effected, the transaction may not be completed.

None of the Company, the Chief Financial Officer, the Chief Executive Officer or the Company's other employees will have any liability for any delay in reviewing, or refusal of, a request for pre-clearance submitted pursuant to this Section IV.A. Notwithstanding any pre-clearance of a transaction pursuant to this Section IV.A, none of the Company, the Chief Financial Officer, the Chief Executive Officer or the Company's other employees assumes any liability for the legality or consequences of such transaction to the person engaging in such transaction (including transactions during an Open Trading Window).

B. Open Trading Windows/Black-Out Periods

Additionally, directors, officers and employees shall be permitted to purchase or sell securities of the Company beginning on the date following completion of the one full trading day after the public release of earnings data from the most recently completed fiscal quarter of the Company and ending on the 14th calendar day before the end of the subsequent fiscal quarter of the Company (the "**Open Trading Window**").

Periods other than Open Trading Windows, including periods during which the Company has declared a trading suspension, are referred to herein as black-out periods. No director, officer or employee shall purchase or sell any security of the Company during a black-out period, except for:

- purchases of the Company's securities from the Company or sales of the Company's securities to the Company;
- exercises of stock options or other equity awards the surrender of shares to the Company in payment of the exercise price or in satisfaction of any tax withholding obligations in a manner permitted by the applicable equity award agreement, or vesting of equity-based awards that do not involve a market sale of the Company's securities (the "cashless exercise" of a Company stock option through a broker does involve a market sale of the Company's securities, and therefore would not qualify under this exception);
- *bona fide* gifts of the Company's securities; and
- purchases or sales of the Company's securities made pursuant to any binding contract, specific instruction or written plan entered into while the purchaser or seller, as applicable, was unaware of any material, non-public information and which contract, instruction or plan (i) meets all requirements of the affirmative defense provided by Rule 10b5-1, (ii) was pre-cleared in advance pursuant to this Policy and (iii) has not been amended or modified in any respect after such initial pre-clearance without such amendment or modification being pre-cleared in advance pursuant to this Policy.

Exceptions to the black-out period policy may be approved only by the Company's Chief Financial Officer or, in the case of exceptions for directors, the Board of Directors.

From time to time, the Company, through the Board of Directors, the Company's Chief Financial Officer or Chief Executive Officer may recommend that directors, officers, employees or others suspend trading in the Company's securities because of developments that have not yet been disclosed to the public. Subject to the exceptions noted above, all those affected should not trade in our securities while the suspension is in effect, and should not disclose to others that we have suspended trading.

C. Post-Termination Transactions

With the exception of the pre-clearance requirement, this Policy continues to apply to transactions in the Company's securities even after termination of service to the Company. If an individual is in possession of material, non-public information when his or her service terminates, that individual may not trade in the Company's securities until the later of: (1) the first trading day following the public release of earnings for the fiscal quarter in which such director, officer or employee leaves the Company or (2) the first trading day after any material nonpublic information known to such director, officer or employee has become public or is no longer material.

D. Information Relating to the Company

1. Access to Information

Access to material, non-public information about the Company, including the Company's business, earnings or prospects, should be limited to directors, officers and employees of the Company on a need-to-know basis. In addition, such information should not be communicated to anyone outside the Company under any circumstances (except by authorized representatives in accordance with the Company's policies regarding the protection or authorized external disclosure of Company information) or to anyone within the Company other than on a need-to-know basis.

In communicating material, non-public information to employees of the Company, all directors, officers and employees must take care to emphasize the need for confidential treatment of such information and adherence to the Company's policies with regard to confidential information.

2. Inquiries From Third Parties

Inquiries from third parties, such as industry analysts or members of the media, about the Company should be directed to the attention of the Chief Financial Officer at the following address:

DIH Holding US, Inc.
77 Accord Park Drive; Suite D-1
Norwell, MA 02061

E. Limitations on Access to Company Information

The following procedures are designed to maintain confidentiality with respect to the Company's business operations and activities.

All directors, officers and employees should take all steps and precautions necessary to restrict access to, and secure, material, non-public information by, among other things:

- Maintaining the confidentiality of Company-related transactions;
- Conducting their business and social activities so as not to risk inadvertent disclosure of confidential information, including cautious review of confidential documents in public places so as to prevent access by unauthorized persons;
- Restricting access to documents and files (including computer files) containing material, non-public information to individuals on a need-to-know basis (including maintaining control over the distribution of documents and drafts of documents);
- Promptly removing and cleaning up all confidential documents and other materials from conference rooms following the conclusion of any meetings;
- Disposing of all confidential documents and other papers, after there is no longer any business or other legally required need, through shredders when appropriate;
- Restricting access to areas likely to contain confidential documents or material, non-public information;
- Safeguarding phones, laptop computers, tablets, memory sticks, CDs and other items that contain confidential information; and
- Avoiding the discussion of material, non-public information in places where the information could be overheard by others such as in elevators, restrooms, hallways, restaurants, airplanes or rideshares.

Personnel involved with material, non-public information, to the extent feasible, should conduct their business and activities in areas separate from other Company activities.

V. ADDITIONAL PROHIBITED TRANSACTIONS

The Company has determined that there is a heightened legal risk and/or the appearance of improper or inappropriate conduct if the persons subject to this Policy engage in certain types of transactions. Therefore, directors, officers and employees shall comply with the following policies with respect to certain transactions in the Company securities:

A. Short Sales

Short sales of the Company's securities evidence an expectation on the part of the seller that the securities will decline in value, and therefore signal to the market that the seller has no confidence in the Company or its short-term prospects. In addition, short sales may reduce the seller's incentive to improve the Company's performance. For these reasons, short sales of the Company's securities are prohibited by this Policy. In addition, as noted below, Section 16(c) of the 1934 Act absolutely prohibits Section 16 reporting persons from making short sales of the Company's equity securities, *i.e.*, sales of shares that the insider does not own at the time of sale, or sales of shares against which the insider does not deliver the shares within 20 days after the sale.

B. Publicly Traded Options

A transaction in options is, in effect, a bet on the short-term movement of the Company's stock and therefore creates the appearance that an director, officer or employee is trading based on inside information. Transactions in options also may focus a director's, officer's or employee's attention on short-term performance at the expense of the Company's long-term objectives. Accordingly, transactions in puts, calls or other derivative securities involving the Company's equity securities, on an exchange or in any other organized market, are prohibited by this Policy.

C. Hedging Transactions

Certain forms of hedging or monetization transactions, such as zero-cost collars and forward sale contracts, allow a director, officer or employee to lock in much of the value of his or her stock holdings, often in exchange for all or part of the potential for upside appreciation in the stock. These transactions allow the director, officer or employee to continue to own the covered securities, but without the full risks and rewards of ownership. When that occurs, the director, officer or employee may no longer have the same objectives as the Company's other stockholders. Therefore, such transactions involving the Company's equity securities are prohibited by this Policy.

D. Purchases of the Company's Securities on Margin

Purchasing on margin means borrowing from a brokerage firm, bank or other entity in order to purchase the Company's securities (other than in connection with a cashless exercise of stock options under the Company's equity plans). Margin purchases of the Company's securities are prohibited by this Policy. This prohibition means, among other things, that you cannot hold the Company's securities in a "margin account" (which would allow you to borrow against your holdings to buy securities).

E. Director and Executive Officer Cashless Exercises

The Company will not arrange with brokers to administer cashless exercises on behalf of directors and executive officers of the Company. Directors and executive officers of the Company may use the cashless exercise feature of their equity awards only if (i) the director or officer retains a broker independently of the Company, (ii) the Company's involvement is limited to confirming that it will deliver the stock promptly upon payment of the exercise price and (iii) the director or officer uses a "T+2" cashless exercise arrangement, in which the Company agrees to deliver stock against the payment of the purchase price on the same day the sale of the stock underlying the equity award settles. Under a T+2 cashless exercise, a broker, the issuer, and the issuer's transfer agent work together to make all transactions settle simultaneously. This approach is to avoid any inference that the Company has "extended credit" in the form of a personal loan to the director or executive officer. Questions about cashless exercises should be directed to the Chief Financial Officer.

F. Partnership Distributions

Nothing in this Policy is intended to limit the ability of a venture capital partnership or other similar entity with which a director is affiliated to distribute Company securities to its partners, members or other similar persons. It is the responsibility of each affected director and the affiliated entity, in consultation with their own counsel (as appropriate), to determine the timing of any distributions, based on all relevant facts and circumstances and applicable securities laws.

VI. **RULE 10b5-1 TRADING PLANS, SECTION 16 AND RULE 144**

A. Rule 10b5-1 Trading Plans

1. Overview

The SEC's Rule 10b5-1 will protect directors, officers and employees from insider trading liability under Rule 10b5-1 for transactions under a previously established contract, plan or instruction to trade in the Company's stock (a "**Trading Plan**") entered into in good faith and in accordance with the terms of Rule 10b5-1 and all applicable state laws and will be exempt from the trading restrictions set forth in this Policy. The initiation of, and any modification to, any such Trading Plan will be deemed to be a transaction in the Company's securities, and such initiation or modification is subject to all limitations and prohibitions relating to transactions in the Company's securities. Each such Trading Plan, and any modification thereof, must be submitted to and pre-approved by the Company's Chief Financial Officer, or such other person as the Board of Directors may designate from time to time (the "**Authorizing Officer**"), who may impose such conditions on the implementation and operation of the Trading Plan as the Authorizing Officer deems necessary or advisable. However, compliance of the Trading Plan to the terms of Rule 10b5-1 and the execution of transactions pursuant to the Trading Plan are the sole responsibility of the person initiating the Trading Plan, not the Company or the Authorizing Officer.

Trading Plans do not exempt individuals from complying with Section 16 short-swing profit rules or liability.

Rule 10b5-1 presents an opportunity for insiders to establish arrangements to sell (or purchase) Company stock without the restrictions of Open Trading Windows and black-out periods, even when there is undisclosed material information. A Trading Plan may also help reduce negative publicity that may result when key executives sell the Company's stock. Rule 10b5-1 only provides an "affirmative defense" in the event there is an insider trading lawsuit. It does not prevent someone from bringing a lawsuit.

A director, officer or employee may enter into a Trading Plan only when he or she is not in possession of material, non-public information, and only during an Open Trading Window period outside of the trading black-out period. Although transactions effected under a Trading Plan will not require further pre-clearance at the time of the trade, any transaction (including the quantity and price) made pursuant to a Trading Plan of a Section 16 reporting person must be reported to the Company promptly on the day of each trade to permit the Company's Chief Financial Officer to assist in the preparation and filing of a required Form 4.

The Company reserves the right from time to time to suspend, discontinue or otherwise prohibit any transaction in the Company's securities, even pursuant to a previously approved Trading Plan, if the Authorizing Officer or the Board of Directors, in its discretion, determines that such suspension, discontinuation or other prohibition is in the best interests of the Company. Any Trading Plan submitted for approval hereunder should explicitly acknowledge the Company's right to prohibit transactions in the Company's securities. Failure to discontinue purchases and sales as directed shall constitute a violation of the terms of this Section VI and result in a loss of the exemption set forth herein.

Directors, officers and employees may adopt Trading Plans with brokers that outline a pre-set plan for trading of the Company's stock, including the exercise of options. Trades pursuant to a Trading Plan generally may occur at any time. However, the Company requires a cooling-off period of 30 days between the establishment of a Trading Plan and commencement of any transactions under such plan. An individual may adopt more than one Trading Plan. Please review the following description of how a Trading Plan works.

Pursuant to Rule 10b5-1, an individual's purchase or sale of securities will not be "on the basis of" material, non-public information if:

- First, before becoming aware of the information, the individual enters into a binding contract to purchase or sell the securities, provides instructions to another person to sell the securities or adopts a written plan for trading the securities (i.e., the Trading Plan).
- Second, the Trading Plan must either:
 - specify the amount of securities to be purchased or sold, the price at which the securities are to be purchased or sold and the date on which the securities are to be purchased or sold;
 - include a written formula or computer program for determining the amount, price and date of the transactions; or
 - prohibit the individual from exercising any subsequent influence over the purchase or sale of the Company's stock under the Trading Plan in question.
- Third, the purchase or sale must occur pursuant to the Trading Plan and the individual must not enter into a corresponding hedging transaction or alter or deviate from the Trading Plan.

2. Revocation of and Amendments to Trading Plans

Revocation of Trading Plans should occur only in unusual circumstances. Effectiveness of any revocation or amendment of a Trading Plan will be subject to the prior review and approval of the Authorizing Officer. Once a Trading Plan has been revoked, the participant should wait at least 30 days before trading outside of a Trading Plan and 180 days before establishing a new Trading Plan. You should note that revocation of a Trading Plan can result in the loss of an affirmative defense for past or future transactions under a Trading Plan. You should consult with your own legal counsel before deciding to revoke a Trading Plan. In any event, you should not assume that compliance with the 180-day bar will protect you from possible adverse legal consequences of a Trading Plan revocation.

A person acting in good faith may amend a prior Trading Plan so long as such amendments are made outside of a quarterly trading black-out period and at a time when the Trading Plan participant does not possess material, non-public information. Plan amendments must not take effect for at least 30 days after the plan amendments are made.

Under certain circumstances, a Trading Plan *must* be revoked. This may include circumstances such as the announcement of a merger or the occurrence of an event that would cause the transaction either to violate the law or to have an adverse effect on the Company. The Authorizing Officer or administrator of the Company's stock plans is authorized to notify the broker in such circumstances, thereby insulating the insider in the event of revocation.

3. Discretionary Plans

Although non-discretionary Trading Plans are preferred, discretionary Trading Plans, where the discretion or control over trading is transferred to a broker, are permitted if pre-approved by the Authorizing Officer.

The Authorizing Officer must pre-approve any Trading Plan, arrangement or trading instructions, etc., involving potential sales or purchases of the Company's stock or option exercises, including but not limited to, blind trusts, discretionary accounts with banks or brokers, or limit orders. The actual transactions effected pursuant to a pre-approved Trading Plan will not be subject to further pre-clearance for transactions in the Company's stock once the Trading Plan or other arrangement has been pre-approved.

4. Reporting (if Required)

If required, an SEC Form 144 will be filled out and filed by the individual/brokerage firm in accordance with the existing rules regarding Form 144 filings. A footnote at the bottom of the Form 144 should indicate that the trades "are in accordance with a Trading Plan that complies with Rule 10b5-1 and expires ____." For Section 16 reporting persons, Form 4s should be filed before the end of the second business day following the date that the broker, dealer or plan administrator informs the individual that a transaction was executed, provided that the date of such notification is not later than the third business day following the trade date. A similar footnote should be placed at the bottom of the Form 4 as outlined above.

5. Options

Exercises of options for cash may be executed at any time. "Cashless exercise" option exercises are subject to Open Trading Windows. However, the Company will permit same day sales under Trading Plans. If a broker is required to execute a cashless exercise in accordance with a Trading Plan, then the Company must have exercise forms attached to the Trading Plan that are signed, undated and with the number of shares to be exercised left blank. Once a broker determines that the time is right to exercise the option and dispose of the shares in accordance with the Trading Plan, the broker will notify the Company in writing and the administrator of the Company's stock plans will fill in the number of shares and the date of exercise on the previously signed exercise form. The insider should not be involved with this part of the exercise.

6. Trades Outside of a Trading Plan

During an Open Trading Window, trades differing from Trading Plan instructions that are already in place are allowed as long as the Trading Plan continues to be followed.

7. Public Announcements

The Company may make a public announcement that Trading Plans are being implemented in accordance with Rule 10b5-1. It will consider in each case whether a public announcement of a particular Trading Plan should be made. It may also make public announcements or respond to inquiries from the media as transactions are made under a Trading Plan.

8. Prohibited Transactions

The transactions prohibited under Section V of this Policy, including among others short sales and hedging transactions, may not be carried out through a Trading Plan or other arrangement or trading instruction involving potential sales or purchases of the Company's securities.

9. No Section 16 Protection

The use of Trading Plans does not exempt participants from complying with the Section 16 reporting rules or liability for short-swing trades.

10. Limitation on Liability

None of the Company, the Authorizing Officer or the Company's other employees will have any liability for any delay in reviewing, or refusal of, a Trading Plan submitted pursuant to this Section VI.A. Notwithstanding any review of a Trading Plan pursuant to this Section VI.A, none of the Company, the Authorizing Officer or the Company's other employees assumes any liability for the legality or consequences relating to such Trading Plan to the person adopting such Trading Plan.

B. Section 16: Insider Reporting Requirements, Short-Swing Profits and Short Sales (Applicable to Directors, Officers and 10% Stockholders)

1. Reporting Obligations Under Section 16(a): SEC Forms 3, 4 and 5

Section 16(a) of the 1934 Act generally requires all directors, officers and 10% stockholders ("*insiders*"), within 10 days after the insider becomes a director, officer or 10% stockholder, to file with the SEC an "Initial Statement of Beneficial Ownership of Securities" on SEC Form 3 listing the amount of the Company's stock, options and warrants which the insider beneficially owns. Following the initial filing on SEC Form 3, changes in beneficial ownership of the Company's stock, options and warrants must be reported on SEC Form 4, generally within two days after the date on which such change occurs, or in certain cases on Form 5, within 45 days after fiscal year end. The two-day Form 4 deadline begins to run from the trade date rather than the settlement date. A Form 4 must be filed even if, as a result of balancing transactions, there has been no net change in holdings. In certain situations, purchases or sales of Company stock made within six months *prior* to the filing of a Form 3 must be reported on Form 4. Similarly, certain purchases or sales of Company stock made within six months *after* a director or officer ceases to be an insider must be reported on Form 4.

2. Recovery of Profits Under Section 16(b)

For the purpose of preventing the unfair use of information which may have been obtained by an insider, any profits realized by any director, officer or 10% stockholder from any "purchase" and "sale" of Company stock if both transactions occur within a six-month period, so called "short-swing profits," may be recovered by the Company. When such a purchase and sale occurs, good faith is no defense. The insider is liable even if compelled to sell for personal reasons, and even if the sale takes place after full disclosure and without the use of any inside information.

The liability of an insider under Section 16(b) of the 1934 Act is only to the Company itself. The Company, however, cannot waive its right to short swing profits, and any Company stockholder can bring suit in the name of the Company. Reports of ownership filed with the SEC on Form 3, Form 4 or Form 5 pursuant to Section 16(a) (discussed above) are readily available to the public, and certain attorneys carefully monitor these reports for potential Section 16(b) violations. In addition, liabilities under Section 16(b) may require separate disclosure in the Company's annual report to the SEC on Form 10-K or its proxy statement for its annual meeting of stockholders. No suit may be brought more than two years after the date the profit was realized. However, if the insider fails to file a report of the transaction under Section 16(a), as required, the two-year limitation period does not begin to run until after the transactions giving rise to the profit have been disclosed. Failure to report transactions and late filing of reports require separate disclosure in the Company's proxy statement.

Directors and officers should consult the attached "Short-Swing Profit Rule Section 16(b) Checklist" attached hereto as Attachment A in addition to consulting the Chief Financial Officer prior to engaging in any transactions involving the Company's securities, including without limitation, the Company's stock, options or warrants.

3. Short Sales Prohibited Under Section 16(c)

Section 16(c) of the 1934 Act prohibits insiders from making any short sales of the Company's equity securities. Short sales include sales of stock which the insider does not own at the time of sale, or sales of stock against which the insider does not deliver the shares within 20 days after the sale. Under certain circumstances, the purchase or sale of put or call options, or the writing of such options, can result in a violation of Section 16(c). Insiders violating Section 16(c) face criminal liability.

The Chief Financial Officer should be consulted if you have any questions regarding reporting obligations, short-swing profits or short sales under Section 16.

C. Rule 144 (Applicable to Directors, Officers and 10% Stockholders)

Rule 144 provides a safe harbor exemption to the registration requirements of the Securities Act of 1933, as amended, for certain resales of "restricted securities" and "control securities." "*Restricted securities*" are securities acquired from an issuer, or an affiliate of an issuer, in a transaction or chain of transactions not involving a public offering. "*Control securities*" are *any* securities owned by directors, executive officers or other "affiliates" of the issuer, including stock purchased in the open market and stock received upon exercise of stock options. Sales of Company securities by affiliates (generally, directors, officers and 10% stockholders of the Company) must comply with the requirements of Rule 144, which are summarized below. Because the Company was a "shell company" prior to the closing of the business combination, Rule 144 will be unavailable for approximately one year following the closing of the business combination. Please contact the Company's Chief Financial Officer for additional information.

- **Current Public Information.** The Company must have filed all SEC-required reports during the last 12 months.
- **Volume Limitations.** Total sales of Company common stock by a covered individual for any three-month period may not exceed the *greater* of: (i) 1% of the total number of outstanding shares of Company common stock, as reflected in the most recent report or statement published by the Company, or (ii) the average weekly reported volume of such shares traded during the four calendar weeks preceding the filing of the requisite Form 144.

- **Method of Sale.** The shares must be sold either in a “broker’s transaction” or in a transaction directly with a “market maker.” A “**broker’s transaction**” is one in which the broker does no more than execute the sale order and receive the usual and customary commission. Neither the broker nor the selling person can solicit or arrange for the sale order. In addition, the selling person or Board member must not pay any fee or commission other than to the broker. A “**market maker**” includes a specialist permitted to act as a dealer, a dealer acting in the position of a block positioner, and a dealer who holds himself out as being willing to buy and sell Company common stock for his own account on a regular and continuous basis.
- **Notice of Proposed Sale.** A notice of the sale (a Form 144) must be filed with the SEC at the time of the sale. Brokers generally have internal procedures for executing sales under Rule 144 and will assist you in completing the Form 144 and in complying with the other requirements of Rule 144.

If you are subject to Rule 144, you must instruct your broker who handles trades in Company securities to follow the brokerage firm’s Rule 144 compliance procedures in connection with all trades. *As noted above, because the Company was a “shell company” prior to the closing of the business combination, Rule 144 will be unavailable for approximately one year following the closing of the business combination. Please contact the Company’s Chief Financial Officer for additional information.*

VII. EXECUTION AND RETURN OF CERTIFICATION OF COMPLIANCE

After reading this Policy, all directors, officers and employees should execute and return to the Company’s Chief Financial Officer the Certification of Compliance form attached hereto as Attachment B.

Approved by the Board of Directors: February 7, 2023

Effective: February 7, 2023

SCHEDULE I

INDIVIDUALS SUBJECT TO PRECLEARANCE REQUIREMENT

Attachment A

SHORT-SWING PROFIT RULE SECTION 16(B) CHECKLIST

Note: ANY combination of PURCHASE AND SALE or SALE AND PURCHASE within six months of each other by a director, officer or 10% stockholder (or any family member living in the same household or certain affiliated entities) results in a violation of Section 16(b), and the “profit” must be recovered by DIH Holding US, Inc. (the “*Company*”). It makes no difference how long the shares being sold have been held or, for directors and officers, that you were an insider for only one of the two matching transactions. The highest priced sale will be matched with the lowest priced purchase within the six-month period.

Sales

If a sale is to be made by a director, officer or 10% stockholder (or any family member living in the same household or certain affiliated entities):

1. Have there been any purchases by the insider (or family members living in the same household or certain affiliated entities) within the past six months?
2. Have there been any option grants or exercises not exempt under Rule 16b-3 within the past six months?
3. Are any purchases (or non-exempt option exercises) anticipated or required within the next six months?
4. Has a Form 4 been prepared?

Note: If a sale is to be made by an affiliate of the Company, has a Form 144 been prepared and has the broker been reminded to sell pursuant to Rule 144?

Purchases And Option Exercises

If a purchase or option exercise for Company stock is to be made:

1. Have there been any sales by the insider (or family members living in the same household or certain affiliated entities) within the past six months?
2. Are any sales anticipated or required within the next six months (such as tax-related or year-end transactions)?
3. Has a Form 4 been prepared?

Before proceeding with a purchase or sale, consider whether you are aware of material, non-public information which could affect the price of the Company stock. All transactions in the Company’s securities by directors and officers must be pre-cleared by contacting the Company’s Chief Financial Officer.

Attachment B

CERTIFICATION OF COMPLIANCE

RETURN BY [_____]

TO: [NAME], [TITLE]

FROM:

RE: INSIDER TRADING COMPLIANCE POLICY OF DIH HOLDING US, INC.

I have received, reviewed and understand the above-referenced Insider Trading Compliance Policy and undertake, as a condition to my present and continued employment (or, if I am not an employee, affiliation with) DIH Holding US, Inc. to comply fully with the policies and procedures contained therein.

I hereby certify, to the best of my knowledge, that during the calendar year ending December 31, 20[___], I have complied fully with all policies and procedures set forth in the above-referenced Insider Trading Compliance Policy.

SIGNATURE

DATE

TITLE

**DIH HOLDING US, INC.
WHISTLEBLOWER PROTECTION POLICY**

I. Purpose

DIH Holding US, Inc. (“DIH”) requires directors, officers, employees, and volunteers (collectively, “DIH Representatives”) to perform their duties and responsibilities with high standards of business and personal ethics, and to comply with applicable laws, regulations, and internal policies. The purpose of this Whistleblower Policy is to encourage and enable DIH Representatives who suspect a violation of these standards to voice these concerns internally so that inappropriate conduct may be addressed and corrected.

II. Reporting

a. Responsibility. It is the responsibility of all DIH Representatives to report, in writing, any “Concerns”, defined as known or suspected violations of DIH’s internal policies or applicable law. DIH’s designated Compliance Officer is an individual designated by DIH to receive, investigate, resolve, and maintain files on reported Concerns. This responsibility is currently shared by DIH’s Co-Presidents.

b. Procedure. DIH has an open door policy and encourages DIH Representatives to share Concerns, in addition to other questions/suggestions/complaints, with their supervisor. If you are not comfortable doing so or are unsatisfied with your supervisor’s response, you are encouraged to speak with the Compliance Officer. Supervisors and managers are required to report Concerns in writing to the Compliance Officer, who is responsible for investigating all reported Concerns. The Compliance Officer handling a Concern will acknowledge receipt of the reported Concern and notify the Co-Presidents. Report Concerns will be promptly investigated. The Compliance Officer must immediately notify the Board’s Finance Committee of any Concerns or other alleged improprieties relating to accounting or auditing practices or internal controls, and must work with the Finance Committee to resolve such a matter.

c. Good Faith. Anyone reporting Concerns must do so in good faith and have reasonable grounds for believing that a violation has occurred. Any DIH Representative who raises unsubstantiated allegations which are shown either to have been made maliciously or with knowledge that they were false will be subject to discipline, as this is viewed as a serious offense.

d. Confidentiality. Reports of Concerns will be kept confidential and anonymous to the extent possible and consistent with conducting an adequate and thorough investigation.

III. Prohibition on Retaliation

It is expressly prohibited and contrary to DIH’s values to retaliate against any DIH Representative who in good faith reports Concerns. A DIH Representative who retaliates against someone who has reported a Concern in good faith is subject to disciplinary action up to and including termination of the relationship with DIH.

Approved by the Board of Directors: February 7, 2023

Effective: February 9, 2023
