

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2023

OR

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

Commission File Number 001-39872

ADIT EDTECH ACQUISITION CORP.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

85-3477678
(I.R.S. Employer
Identification No.)

1345 Avenue of the Americas, 33rd Floor
New York, New York 10105
(Address of principal executive offices, including zip code)

(646) 291-6930
(Registrant'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
Units, each consisting of one share of common stock and one-half of one redeemable warrant	ADEX.U	NYSE American LLC
Common Stock, par value \$0.0001 per share	ADEX	NYSE American LLC
Redeemable warrants, exercisable for shares of common stock at an exercise price of \$11.50 per share	ADEX.WS	NYSE American LLC

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T 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, anon-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated Filer Smaller reporting company
Emerging growth company

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

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

As of November 13, 2023, there were 8,900,026 outstanding shares of the registrant's common stock, \$0.0001 par value per share.

ADIT EDTECH ACQUISITION CORP.
Quarterly Report on Form 10-Q
Table of Contents

<u>PART I. FINANCIAL INFORMATION</u>	1
Item 1. <u>Financial Statements</u>	1
<u>Condensed Consolidated Balance Sheets as of September 30, 2023 (unaudited) and December 31, 2022</u>	1
<u>Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2023 and 2022 (unaudited)</u>	2
<u>Condensed Consolidated Statements of Changes in Stockholders' Deficit for the three and nine months ended September 30, 2023 and 2022 (unaudited)</u>	3
<u>Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2023 and 2022 (unaudited)</u>	4
<u>Notes to Condensed Consolidated Financial Statements (unaudited)</u>	5
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	22
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	28
Item 4. <u>Controls and Procedures</u>	28
<u>PART II. OTHER INFORMATION</u>	30
Item 1. <u>Legal Proceedings</u>	30
Item 1A. <u>Risk Factors</u>	30
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	30
Item 3. <u>Defaults Upon Senior Securities</u>	30
Item 4. <u>Mine Safety Disclosures</u>	30
Item 5. <u>Other Information</u>	30
Item 6. <u>Exhibits</u>	31
<u>SIGNATURES</u>	32

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

ADIT EDTECH ACQUISITION CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2023 <u>(Unaudited)</u>	December 31, 2022
ASSETS		
Current assets		
Cash	\$ 225,602	\$ 992,187
Prepaid expenses	132,287	77,774
Cash held in Trust Account for redeemed shares	—	1,093,204
Total Current Assets	357,889	2,163,165
Cash held in Trust Account	21,522,419	25,041,388
TOTAL ASSETS	\$ 21,880,308	\$ 27,204,553
Liabilities, Common Stock Subject to Possible Redemption and Stockholders' Deficit		
Current liabilities		
Accrued offering costs and expenses	\$ 6,304,847	\$ 4,807,419
Due to related party	217,684	138,986
Common stock to be redeemed	—	1,093,204
Excise tax payable	49,457	—
Income taxes payable	80,572	795,203
Interest bearing note	1,439,228	—
Working capital loan—related party	502,683	300,000
Total Current Liabilities	8,594,471	7,134,812
Warrant liability	523,440	459,236
Deferred underwriting discount	6,762,000	6,762,000
TOTAL LIABILITIES	15,879,911	14,356,048
Commitments		
Common stock subject to possible redemption, 2,000,026 and 2,467,422 shares at redemption values of \$10.93 and \$10.24 at September 30, 2023 and December 31, 2022, respectively	21,851,364	25,273,823
Stockholders' Deficit		
Preferred stock, \$0.0001 par value; 1,000,000 shares authorized; none issued and outstanding at September 30, 2023 and December 31, 2022, respectively	—	—
Common stock, \$0.0001 par value; 100,000,000 shares authorized; 6,900,000 shares issued and outstanding (excluding 2,000,026 and 2,467,422 shares at redemption value) at September 30, 2023 and December 31, 2022, respectively	690	690
Additional paid-in capital	—	1,103,029
Accumulated deficit	(15,851,657)	(13,529,037)
Total Stockholders' Deficit	(15,850,967)	(12,425,318)
TOTAL LIABILITIES, COMMON STOCK SUBJECT TO POSSIBLE REDEMPTION AND STOCKHOLDERS' DEFICIT	\$ 21,880,308	\$ 27,204,553

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

ADIT EDTECH ACQUISITION CORP.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Formation and operating costs	\$ 513,450	\$ 364,061	\$ 2,297,460	\$ 1,509,714
Loss from operations	(513,450)	(364,061)	(2,297,460)	(1,509,714)
Other income:				
Change in fair value of warrants	109,050	37,956	(64,204)	4,708,696
Trust interest income	209,295	1,296,308	645,030	1,743,104
Interest expense on note	(12,457)	—	(20,956)	—
Total other income, net	305,888	1,334,264	559,870	6,451,800
(Loss) Income before provision for income taxes	(207,562)	970,203	(1,737,590)	4,942,086
Provision for income taxes	(37,661)	(294,065)	(115,369)	(316,701)
Net (loss) income	\$ (245,223)	\$ 676,138	\$ (1,852,959)	\$ 4,625,385
Basic and diluted weighted average shares outstanding, redeemable common stock	2,060,991	27,600,000	2,330,456	27,600,000
Basic and diluted net (loss) income per share	\$ (0.03)	\$ 0.02	\$ (0.20)	\$ 0.13
Basic and diluted weighted average shares outstanding, common stock	6,900,000	6,900,000	6,900,000	6,900,000
Basic and diluted net (loss) income per share	\$ (0.03)	\$ 0.02	\$ (0.20)	\$ 0.13

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

ADIT EDTECH ACQUISITION CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
(UNAUDITED)

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount			
Balance as of January 1, 2023	6,900,000	\$ 690	\$ 1,103,029	\$ (13,529,037)	\$ (12,425,318)
Net loss	—	—	—	(921,752)	(921,752)
Remeasurement of common stock to redemption value	—	—	(579,858)	—	(579,858)
Balance as of March 31, 2023	6,900,000	690	523,171	(14,450,789)	(13,926,928)
Net loss	—	—	—	(685,984)	(685,984)
Remeasurement of common stock to redemption value	—	—	(523,171)	(86,070)	(609,241)
Balance as of June 30, 2023	6,900,000	690	—	(15,222,843)	(15,222,153)
Net loss	—	—	—	(245,223)	(245,223)
Excise tax payable attributable to redemption of common stock	—	—	—	(49,457)	(49,457)
Remeasurement of common stock to redemption value	—	—	—	(334,134)	(334,134)
Balance as of September 30, 2023	6,900,000	\$ 690	\$ —	\$ (15,851,657)	\$ (15,850,967)

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount			
Balance as of January 1, 2022	6,900,000	\$ 690	\$ —	\$ (17,170,488)	\$ (17,169,798)
Net income	—	—	—	1,217,736	1,217,736
Balance as of March 31, 2022	6,900,000	690	—	(15,952,752)	(15,952,062)
Net income	—	—	—	2,731,511	2,731,511
Remeasurement of carrying value to redemption value	—	—	—	(239,154)	(239,154)
Balance as of June 30, 2022	6,900,000	690	—	(13,460,395)	(13,459,705)
Net income	—	—	—	676,138	676,138
Remeasurement of carrying value to redemption value	—	—	—	(952,243)	(952,243)
Balance as of September 30, 2022	6,900,000	\$ 690	\$ —	\$ (13,736,500)	\$ (13,735,810)

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

ADIT EDTECH ACQUISITION CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the Nine Months Ended September 30,	
	2023	2022
Cash flows from operating activities:		
Net (loss) income	\$(1,852,959)	\$ 4,625,385
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Change in fair value of warrants	64,204	(4,708,696)
Interest earned on cash and marketable securities held in Trust Account	(645,030)	(1,743,104)
Interest accrued on interest bearing note	20,956	—
Changes in operating assets and liabilities:		
Prepaid expenses	(54,513)	156,489
Income taxes payable	(714,631)	316,701
Accrued offering costs and expenses	1,497,428	531,799
Due to related party	78,698	90,000
Net cash used in operating activities	<u>(1,605,847)</u>	<u>(731,426)</u>
Cash flows from investing activities:		
Cash withdrawn for redemptions	4,945,692	—
Deposit in Trust for extension payments	(1,068,272)	—
Cash withdrawn from Trust Account to pay franchise tax and income taxes	286,579	200,000
Cash held in Trust for redeemed shares	1,093,204	—
Common stock to be redeemed	(1,093,204)	—
Net cash provided by investing activities	<u>4,163,999</u>	<u>200,000</u>
Cash flows from financing activities:		
Redemption of common stock	(4,945,692)	—
Proceeds from issuance of promissory note to related party	202,683	100,000
Proceeds from promissory note—extension	1,418,272	—
Net cash (used in) provided by financing activities	<u>(3,324,737)</u>	<u>100,000</u>
Net change in cash	<u>(766,585)</u>	<u>(431,426)</u>
Cash, beginning of the period	992,187	462,274
Cash, end of the period	<u>\$ 225,602</u>	<u>\$ 30,848</u>
Supplemental disclosure of noncash investing and financing activities:		
Excise tax payable	\$ 49,457	\$ —
Remeasurement of carrying value to redemption value	\$ 1,523,233	\$ 1,191,397

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

**ADIT EDTECH ACQUISITION CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

NOTE 1. ORGANIZATION AND BUSINESS OPERATIONS

Organization and General

Adit EdTech Acquisition Corp. (the “Company”) was incorporated in Delaware on October 15, 2020. The Company is a blank check company formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses or entities (the “Business Combination”). Although the Company is not limited to a particular industry or geographic region for purposes of consummating a Business Combination, the Company intends to focus its search for a business that would benefit from its founders’ and management team’s experience and ability to identify, acquire and manage a business in the education, training and education technology industries.

The Company has one wholly owned subsidiary, ADEX Merger Sub, LLC, a Delaware limited liability company incorporated on November 24, 2021. There has been no activity since inception.

The Company is an early stage and emerging growth company and, as such, the Company is subject to all of the risks associated with early stage and emerging growth companies.

The Company has selected December 31 as its fiscal year end.

As of September 30, 2023, the Company had not commenced any operations. All activity for the period from October 15, 2020 (inception) through September 30, 2023 relates to the Company’s formation and the initial public offering (“IPO”), which is described below, and since the closing of the IPO, the search for a prospective initial Business Combination (see Note 7). The Company will not generate any operating revenues until after the completion of a Business Combination, at the earliest. The Company will generate non-operating income in the form of interest income from the proceeds derived from the IPO and change in the fair value of its Private Placement Warrants derivative liability.

The Company’s sponsor is Adit EdTech Sponsor, LLC, a Delaware limited liability company (the “Sponsor”).

Financing

The registration statements for the Company’s IPO were declared effective on January 11, 2021. On January 14, 2021, the Company consummated the IPO of 24,000,000 units (the “Units” and, with respect to the shares of common stock included in the Units being offered, the “Public Shares”), at \$0.00 per Unit, generating gross proceeds of \$240,000,000.

Simultaneously with the closing of the IPO, the Company consummated the sale of 6,550,000 Private Placement Warrants (the “Private Placement Warrants”) at a price of \$1.00 per Private Placement Warrant in a Private Placement (defined below) to the Sponsor, generating total gross proceeds of \$6,550,000.

The Company granted the underwriters in the IPO a 45-day option to purchase up to 3,600,000 additional Units to cover over-allotments, if any. On January 19, 2021, the underwriters exercised the over-allotment option in full to purchase 3,600,000 Units (the “Over-allotment Units”), generating aggregate gross proceeds of \$36,000,000, and incurred \$720,000 in deferred underwriting fees. Simultaneously with the closing of the sale of the Over-allotment Units, the Company consummated the sale of an additional 720,000 Private Placement Warrants at a price of \$1.00 per Private Placement Warrant in a private placement to the Sponsor, generating gross proceeds of \$720,000.

Transaction costs amounted to \$13,836,086 consisting of \$4,800,000 of underwriting discount, \$8,400,000 of deferred underwriting discounts and commissions, and \$636,086 of other offering costs.

Trust Account

Following the closing of the IPO on January 14, 2021 and the underwriters' full exercise of their over-allotment option on January 19, 2021, \$276,000,000 (\$10.00 per Unit) from the net proceeds of the sale of the Units in the IPO, the sale of Over-allotment Units and the sale of the Private Placement Warrants were placed in a trust account (the "Trust Account"), which were previously held as cash or invested only in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act of 1940 (the "1940 Act"), with a maturity of 180 days or less or in any open-ended investment company that holds itself out as a money market fund selected by the Company meeting the conditions of Rule 2a-7 of the 1940 Act, as determined by the Company, until the earlier of: (i) the completion of a Business Combination and (ii) the distribution of the funds in the Trust Account. To mitigate the risk of the Company being deemed to have been operating as an unregistered investment company (including under the subjective test of Section 3(a)(1)(A) of the 1940 Act), the Company in January 2023 instructed Continental Stock Transfer & Trust Company, the trustee with respect to the Trust Account, to liquidate the U.S. government treasury obligations or money market funds held in the Trust Account and thereafter to hold all funds in the Trust Account in cash until the earlier of consummation of the Company's initial business combination or liquidation.

As a result, all funds in the Trust Account are currently held in cash.

Initial Business Combination

The Company will provide its holders of the outstanding Public Shares (the "public stockholders") with the opportunity to redeem all or a portion of their Public Shares upon the completion of a Business Combination either (i) in connection with a stockholder meeting called to approve the Business Combination or (ii) by means of a tender offer. The decision as to whether the Company will seek stockholder approval of a Business Combination or conduct a tender offer will be made by the Company, solely in its discretion. The public stockholders will be entitled to redeem their Public Shares for a pro rata portion of the amount then in the Trust Account (initially anticipated to be \$10.00 per Public Share, plus any pro rata interest earned on the funds held in the Trust Account and not previously released to the Company to pay its tax obligations). There will be no redemption rights upon the completion of a Business Combination with respect to the Company's warrants. The Public Shares subject to redemption are recorded at redemption value and classified as temporary equity upon the completion of the IPO in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 480, "Distinguishing Liabilities from Equity."

The Company will proceed with a Business Combination if the Company has net tangible assets of at least \$5,000,001 immediately prior to or upon such consummation of a Business Combination and, if the Company seeks stockholder approval, a majority of the then outstanding shares of common stock present and entitled to vote at the meeting to approve the Business Combination are voted in favor of the Business Combination. If a stockholder vote is not required by law and the Company does not decide to hold a stockholder vote for business or other legal reasons, the Company will, pursuant to its Amended and Restated Certificate of Incorporation, as amended (the "Amended and Restated Certificate of Incorporation"), conduct the redemptions pursuant to the tender offer rules of the U.S. Securities and Exchange Commission ("SEC") and file tender offer documents with the SEC containing substantially the same information as would be included in a proxy statement prior to completing a Business Combination. If, however, stockholder approval of the transaction is required by law, or the Company decides to obtain stockholder approval for business or legal reasons, the Company will offer to redeem shares in conjunction with a proxy solicitation pursuant to the proxy rules and not pursuant to the tender offer rules. If the Company seeks stockholder approval in connection with a Business Combination, the Sponsor has agreed to vote its Founder Shares (as defined in Note 5) and any Public Shares it purchased during or after the IPO in favor of approving a Business Combination. Additionally, each public stockholder may elect to redeem their Public Shares irrespective of whether they vote for or against the proposed transaction or do not vote at all.

Notwithstanding the above, if the Company seeks stockholder approval of a Business Combination and it does not conduct redemptions pursuant to the tender offer rules, the Amended and Restated Certificate of Incorporation provides that a public stockholder, together with any affiliate of such stockholder or any other person with whom such stockholder is acting in concert or as a "group" (as defined under Section 13 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), will be restricted from redeeming its shares with respect to more than an aggregate of 15% or more of the Public Shares, without the prior consent of the Company.

The Sponsor and the Company's officers and directors have agreed (a) to waive redemption rights with respect to the Founder Shares and Public Shares held by them in connection with the completion of a Business Combination and (b) not to propose an amendment to the Amended and Restated Certificate of Incorporation (i) to modify the substance or timing of the Company's obligation to allow redemption in connection with the Company's initial Business Combination and certain amendments to the Amended and Restated Certificate of Incorporation or to redeem 100% of its Public Shares if the Company does not complete a Business Combination or (ii) with respect to any other provision relating to stockholders' rights or pre-initial Business Combination activity, unless the Company provides the public stockholders with the opportunity to redeem their Public Shares in conjunction with any such amendment.

Table of Contents

The Company will have until January 14, 2024 (such date, the “extension date”) to complete a Business Combination or otherwise (a) cease all operations except for the purpose of winding up, (b) as promptly as reasonably possible but not more than ten business days thereafter, redeem all of the shares of common stock included as part of the Units sold in the IPO and (c) as promptly as reasonably possible following such redemption, subject to the approval of the Company’s remaining stockholders and in accordance with applicable law, dissolve and liquidate.

In connection with the stockholders’ vote at a special meeting of stockholders held on December 23, 2022, holders of 25,132,578 shares of Common Stock exercised their right to redeem such shares for a pro rata portion of the funds in the Company’s Trust Account, representing approximately \$253.6 million (approximately \$10.09 per share).

On January 12, 2023, February 8, 2023, March 12, 2023, April 5, 2023, May 12, 2023 and June 12, 2023, the board of directors of the Company elected to extend the date by which the Company must complete an initial business combination, on each occasion by one month, from January 14, 2023 to July 14, 2023 (the “Extensions”). In connection with the Extensions, GRIID Infrastructure LLC deposited an aggregate of \$888,272 (representing \$0.06 per Public Share per month) into the Company’s Trust Account on behalf of the Company. This deposit was loaned to the Company pursuant to a promissory note issued by the Company to GRIID Infrastructure on January 13, 2023. The Extensions were the first, second, third, fourth, fifth, and sixth of six one-month extensions initially permitted under the Company’s governing documents and provided the Company with additional time to complete its initial business combination.

On July 11, 2023, the Company obtained stockholder approval to allow the Company to further extend the time by which it must complete its initial business combination up to an additional two times at the election of the board of directors for an additional three months each time, for a maximum of two three-month extensions. Effective as of such date, the Company amended its amended and restated certificate of incorporation, as amended, to provide for such extensions. In connection with the stockholders’ vote, holders of 467,396 shares of Common Stock exercised their right to redeem such shares for a pro rata portion of the funds in the Company’s Trust Account, representing approximately \$4.9 million (approximately \$10.58 per share).

On July 12, 2023 and September 29, 2023, respectively, the board of directors of the Company elected to extend the date by which the Company must complete an initial business combination by three months, from July 14, 2023 to October 14, 2023 and from October 14, 2023 to January 14, 2024 (together, the “Second Extension”). In connection with the first four months of the Second Extension, GRIID Infrastructure LLC deposited an aggregate of \$240,000 (\$60,000 per month representing approximately \$0.03 per public share) into the Company’s Trust Account for the Company’s public stockholders on behalf of the Company. The Company expects that on or about the 14th day of each of November and December 2023, the Company will cause to be deposited in the Trust Account additional \$60,000 deposits, provided that the proposed merger with Griid Holdco LLC has not closed by such date. These deposits are and would be loaned to the Company pursuant to an amended and restated promissory note issued by ADEX to GRIID Infrastructure (the “GRIID Note”) on July 12, 2023.

Loans may be made under the GRIID Note in an aggregate principal amount of up to \$1,800,000. Currently, the outstanding principal amount under the GRIID Note is \$1,478,272. Interest will accrue on the outstanding principal amount of the GRIID Note at a rate per annum equal to the Applicable Federal Rate set forth by the Internal Revenue Service pursuant to Section 1274(d) of the Internal Revenue Code. The GRIID Note has a maturity date of the earlier of (i) any determination by the Company’s board of directors to liquidate the Company and (ii) the effective date of the merger involving Griid Holdco LLC and the Company pursuant to the Merger Agreement. The failure to timely repay outstanding amounts under the GRIID Note within five days of the maturity date or the occurrence of certain liquidation and bankruptcy events constitute an event of default under the GRIID Note and could result in acceleration of the Company’s repayment obligations thereunder.

On February 7, 2023, the New York Stock Exchange (the “NYSE”) notified the Company that trading in the Company’s Common Stock, Units and warrants had been halted, as the Company no longer satisfied the continued listing standard of the NYSE requiring the Company to maintain an average aggregate global market capitalization attributable to its publicly held shares over a consecutive 30 trading day period of at least \$40,000,000. On February 13, 2023, the Company was approved for listing on the NYSE American LLC (the “NYSE American”) and its Common Stock, Units and warrants began trading on the NYSE American on February 16, 2023.

The holders of the Founder Shares have agreed to waive liquidation rights with respect to such shares if the Company fails to complete a Business Combination prior to the applicable extension deadline. However, if the Sponsor acquired Public Shares in, or acquires Public Shares after, the IPO, such Public Shares will be entitled to liquidating distributions from the Trust Account if the Company fails to complete a Business Combination by the applicable extension deadline. The IPO underwriters have agreed to waive their rights to their deferred underwriting commission (see Note 7) held in the Trust Account in the event the Company does not complete a Business Combination by the applicable extension deadline and, in such event, such amounts will be included with the other funds held in the Trust Account that will be available to fund the redemption of the Public Shares. In the event of such distribution, it is possible that the per share value of the assets remaining available for distribution will be less than the IPO price per Unit (\$10.00).

[Table of Contents](#)

In order to protect the amounts held in the Trust Account, the Sponsor has agreed to be liable to the Company if and to the extent any claims by a vendor for services rendered or products sold to the Company, or a prospective target business with which the Company has discussed entering into a transaction agreement, reduce the amount of funds in the Trust Account to below (i) \$10.00 per Public Share or (ii) such lesser amount per Public Share held in the Trust Account as of the date of the liquidation of the Trust Account due to reductions in the value of trust assets, in each case net of the interest which may be withdrawn to pay the Company's tax obligation and up to \$100,000 for liquidation expenses, except as to any claims by a third party who executed a waiver of any and all rights to seek access to the Trust Account (even if such waiver is deemed to be unenforceable) and except as to any claims under the Company's indemnity of the underwriters of IPO against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"). Moreover, in the event that an executed waiver is deemed to be unenforceable against a third party, the Sponsor will not be responsible to the extent of any liability for such third-party claims. The Company will seek to reduce the possibility that the Sponsor will have to indemnify the Trust Account due to claims of creditors by endeavoring to have all vendors, service providers, prospective target businesses or other entities with which the Company does business, execute agreements with the Company waiving any right, title, interest or claim of any kind in or to monies held in the Trust Account.

Liquidity and Capital Resources

As of September 30, 2023, the Company had approximately \$0.2 million in its operating bank account.

Prior to the completion of the IPO, the Company's liquidity needs had been satisfied through a payment from the Sponsor of \$25,000 (see Note 5) for the Founder Shares to cover certain offering costs and a loan under an unsecured promissory note from the Sponsor of \$150,000 (see Note 5). Subsequent to the consummation of the IPO and sale of Private Placement Warrants, the Company's liquidity needs have been satisfied through the proceeds from the consummation of the sale of Private Placement Warrants not held in the Trust Account.

As discussed above under "—Initial Business Combination," on July 12, 2023, GRIID Infrastructure agreed to make up to six monthly deposits into the Trust Account for the Company's public stockholders on behalf of the Company. Each monthly deposit would be made on or about the 14th day of such month, during the period from July 14, 2023 to January 14, 2024, provided that the proposed business combination transaction between the Company and GRIID has not yet closed as of the date of the applicable deposit. Each deposit would be in the amount of \$60,000 (representing approximately \$0.03 per public share). These deposits are loaned to the Company pursuant to the GRIID Note.

In addition, in order to finance transaction costs in connection with a Business Combination, the Company's Sponsor or an affiliate of the Sponsor or the Company's officers and directors or their affiliates may, but are not obligated to, provide the Company Working Capital Loans (as defined below) (see Note 5).

Going Concern Consideration

The Company anticipates that the approximately \$0.2 million in its operating bank account as of September 30, 2023 will not be sufficient to allow the Company to operate for at least the next 12 months. The Company has incurred and expects to continue to incur significant costs in pursuit of its financing and acquisition plans. These conditions raise substantial doubt about the Company's ability to continue as a going concern one year from the issuance date of the condensed consolidated financial statements. Management plans to address this uncertainty through loans from its Sponsor, officers, directors or third parties. None of the Sponsor, officers or directors are under any obligation to advance funds to, or to invest in, the Company. There is no assurance that the Company's plans to raise capital or to consummate a Business Combination will be successful. The condensed consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Further, management has determined that if the Company is unable to complete a Business Combination within the Combination Period, then the Company will (a) cease all operations except for the purpose of winding up, (b) as promptly as reasonably possible but not more than ten business days thereafter, redeem all of the Public Shares and (c) as promptly as reasonably possible following such redemption, subject to the approval of the Company's remaining stockholders and in accordance with applicable law, dissolve and liquidate. The date for mandatory liquidation and subsequent dissolution as well as the Company's working capital deficit raise substantial doubt about the Company's ability to continue as a going concern. No adjustments have been made to the carrying amounts of assets or liabilities should the Company be required to liquidate after the Combination Period.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements are presented in U.S. dollars in conformity with accounting principles generally accepted in the United States of America (“GAAP”) for financial information and pursuant to the rules and regulations of the SEC. Accordingly, they do not include all of the information and footnotes required by GAAP. In the opinion of management, the unaudited condensed consolidated financial statements reflect all adjustments, which include only normal recurring adjustments necessary for the fair presentation of the balances and results for the periods presented. Operating results for the three and nine months ended September 30, 2023 are not necessarily indicative of the results that may be expected through December 31, 2023.

The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the audited financial statements and notes thereto included in the Form 10-K filed by the Company with the SEC on March 28, 2023.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, ADEX Merger Sub, LLC. There has been no intercompany activity since inception.

Emerging Growth Company

The Company is an “emerging growth company,” as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the independent registered public accounting firm attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

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

Use of Estimates

The preparation of unaudited condensed consolidated financial statements in conformity with GAAP requires the Company’s management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the unaudited condensed consolidated financial statements, which management considered in formulating its estimate, could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ significantly from those estimates.

Cash and Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents. The Company did not have any cash equivalents as of September 30, 2023 and December 31, 2022.

[Table of Contents](#)

Cash Held in Trust Account

Cash held in Trust Account consist of cash, and, prior to January 2023, United States treasury securities. The Company in January 2023 instructed Continental Stock Transfer & Trust Company, the trustee with respect to the Trust Account, to liquidate the U.S. government treasury obligations or money market funds held in the Trust Account and thereafter to hold all funds in the Trust Account in cash in an interest-bearing demand deposit account until the earlier of consummation of the Company's initial business combination or liquidation.

The Company classified its United States Treasury securities held prior to January 2023 as held-to-maturity in accordance with ASC Topic 320, "Investments—Debt and Equity Securities." Held-to-maturity securities are those securities which the Company has the ability and intent to hold until maturity. Held-to-maturity treasury securities are recorded at amortized cost and adjusted for the amortization or accretion of premiums or discounts.

Premiums and discounts are amortized or accreted over the life of the related held-to-maturity security as an adjustment to yield using the effective-interest method. Such amortization and accretion are included in the "Trust interest income" line item in the condensed consolidated statements of operations. Trust interest income is recognized when earned.

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.

The fair value of the Company's certain assets and liabilities, which qualify as financial instruments under ASC 820, "Fair Value Measurements and Disclosures," approximates the carrying amounts represented in the balance sheets. The fair values of cash and promissory note to related party are estimated to approximate the carrying values as of September 30, 2023 and December 31, 2022 due to the short maturities of such instruments.

The fair value of the Private Placement Warrants is based on a Monte Carlo 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 fair value of the Private Placement Warrants is classified as Level 3. See Note 6 for additional information on assets and liabilities measured at fair value.

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. At September 30, 2023 and December 31, 2022, the Company has not experienced losses on this account, and management believes that the Company is not exposed to significant risks on such account.

[Table of Contents](#)

Common Stock Subject to Possible Redemption

All of the 27,600,000 shares of common stock sold as part of the Units (see Note 3) contain a redemption feature, which allows for the redemption of such Public Shares in connection with the Company's liquidation, if there is a stockholder vote or tender offer in connection with a Business Combination or certain amendments to the Company's amended and restated articles of incorporation. In accordance with ASC480-10-S99, redemption provisions, not solely within the control of the Company, require shares of common stock subject to redemption to be classified outside of permanent equity. Therefore, all outstanding Public Shares were classified outside of permanent equity as of September 30, 2023 and December 31, 2022.

The Company recognizes changes in redemption value immediately as they occur upon the IPO and will adjust the carrying value of redeemable shares of common stock to equal the redemption value at the end of each reporting period. Increases or decreases in the carrying amount of redeemable shares of common stock are recorded as charges against additional paid-in capital and accumulated deficit.

On December 23, 2022, the Company held a special meeting of stockholders in which the stockholders approved an amendment to the Company's Amended and Restated Certificate of Incorporation to extend the date by which the Company must consummate its initial Business Combination up to six times at the election of the Company's board of directors for an additional one month each time (for a maximum of six one-month extensions) or otherwise (a) cease all operations except for the purpose of winding up, (b) as promptly as reasonably possible but not more than ten business days thereafter, redeem all of the shares of Common Stock included as part of the Units sold in the Company's IPO and (c) as promptly as reasonably possible following such redemption, subject to the approval of the Company's remaining stockholders and in accordance with applicable law, dissolve and liquidate. On July 11, 2023, we obtained stockholder approval to allow us to further extend the time by which we must complete our initial business combination up to an additional two times at the election of our board of directors for an additional three months each time, for a maximum of two three-month extensions.

In connection with the stockholders' vote at the special meeting of stockholders on December 23, 2022, holders of 25,132,578 shares of Common Stock exercised their right to redeem such Public Shares for a pro rata portion of the funds in the Company's Trust Account, representing approximately \$253.6 million (approximately \$10.09 per share). Following such redemptions, the Company had 2,467,422 Public Shares outstanding.

In connection with the stockholders' vote at a special meeting of stockholders held on July 11, 2023, holders of 67,396 shares of common stock exercised their right to redeem such shares for a pro rata portion of the funds in the Trust Account, representing approximately \$4.9 million (approximately \$10.58 per share). Following redemptions, we have 2,000,026 IPO Shares outstanding.

Net (Loss) Income Per Share of Common Stock

The Company has two categories of shares, which are referred to as redeemable shares of common stock and non-redeemable shares of common stock. Earnings and losses are shared pro rata between the two categories of shares. The table below presents a reconciliation of the numerator and denominator used to compute basic and diluted net (loss) income per share for each category for the three and nine months ended September 30, 2023 and 2022:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023		2022		2023		2022	
	Redeemable common stock	Non-redeemable common stock	Redeemable common stock	Non-redeemable common stock	Redeemable common stock	Non-redeemable common stock	Redeemable common stock	Non-redeemable common stock
Basic and diluted net (loss) income per share:								
Numerator:								
Allocation of net (loss) income	\$ (56,400)	\$ (188,823)	\$ 540,910	\$ 135,228	\$ (467,825)	\$ (1,385,134)	\$ 3,700,308	\$ 925,077
Denominator:								
Weighted Average Shares Outstanding including common stock subject to redemption	2,060,991	6,900,000	27,600,000	6,900,000	2,330,456	6,900,000	27,600,000	6,900,000
Basic and diluted net (loss) income per share	\$ (0.03)	\$ (0.03)	\$ 0.02	\$ 0.02	\$ (0.20)	\$ (0.20)	\$ 0.13	\$ 0.13

Offering Costs associated with the Initial Public Offering

The Company complies with the requirements of the ASC340-10-S99-1 and SEC Staff Accounting Bulletin 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. The Company incurred offering costs amounting to approximately \$15.8 million as a result of the IPO, consisting of approximately \$5.5 million of underwriting discount, approximately \$9.7 million of deferred underwriting discounts and commissions, and approximately \$0.7 million of other offering costs.

Derivative Financial Instruments

The Company does not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. The Company evaluates all of its financial instruments, including issued stock purchase warrants, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives, pursuant to ASC 480 and ASC815-40, “Derivatives and Hedging – Contracts in Entity’s Own Stock (“ASC815-40”).” The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period.

At September 30, 2023 and December 31, 2022, the Company has evaluated both the Public Warrants (as defined below) and Private Placement Warrants under ASC 480 and ASC815-40. Such guidance provides that because the Private Placement Warrants do not meet the criteria for equity treatment thereunder, each Private Placement Warrant must be recorded as a liability. Accordingly, the Company classified each Private Placement Warrant as a liability at 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 consolidated statements of operations. On the date of the IPO, the Company’s Private Placement Warrants met the criteria for equity accounting treatment. On December 23, 2021, the Private Placement Warrants were modified such that the Private Placement Warrants no longer meet the criteria for equity treatment. As such, the Private Placement Warrants were treated as derivative liability instruments from the date of the modification.

Income Taxes

The Company accounts for income taxes under ASC 740, “Income Taxes.” ASC 740, “Income Taxes”, requires the recognition of deferred tax assets and liabilities for both the expected impact of differences between the unaudited condensed financial statements and tax basis of assets and liabilities and for the expected future tax benefit to be derived from tax loss and tax credit carry-forwards. ASC 740 additionally requires a valuation allowance to be established when it is more likely than not that all or a portion of deferred tax assets will not be realized. As of September 30, 2023 and December 31, 2022, the Company’s deferred tax asset had a full valuation allowance recorded against it. The Company’s effective tax rate was (18.14%) and 30.31% for the three months ended September 30, 2023 and 2022, respectively, and (6.64%) and 6.41% for the nine months ended September 30, 2023 and 2022, respectively. The effective tax rate differs from the statutory tax rate of 21% for the three months ended September 30, 2023 and 2022, due to changes in fair value in warrant liability, nondeductible acquisition expenses, and the valuation allowance on the deferred tax assets.

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

The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. There were no unrecognized tax benefits and no amounts accrued for interest and penalties as of September 30, 2023 and December 31, 2022. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position.

The Company has identified the United States as its only “major” tax jurisdiction. The Company is subject to income taxation by major taxing authorities since inception. These examinations may include questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions and compliance with federal and state tax laws. The Company’s management does not expect that the total amount of unrecognized tax benefits will materially change over the next twelve months.

Risks and Uncertainties

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

Inflation Reduction Act of 2022

The Inflation Reduction Act of 2022, signed into law on August 16, 2022, introduced a new excise tax on repurchases of stock after December 31, 2022 by domestic corporations whose stock is traded on an established securities market. The U.S. Department of the Treasury and the Internal Revenue Services have issued initial guidance on which taxpayers may rely on until proposed regulations are published. The new excise tax is imposed on the repurchasing corporation, not the stockholders whose stock is repurchased.

The tax is imposed at a rate of 1% of the fair market value of the stock repurchased during the corporation's taxable year, reduced by the fair market value of stock issued during the taxable year and any repurchased stock that is statutorily excepted from the excise tax. Because the Company is a Delaware corporation and its common stock is traded on the NYSE American, repurchases of the Company's stock for cash will be subject to this 1% excise tax, subject to the amount of Common Stock that the Company may issue. The excise tax will be imposed for any taxable year only if the amount of Common Stock repurchased (without regard to the value of stock issued during the year or excepted from the excise tax) exceeds \$1 million. Under the initial guidance, the due date for payment of the excise tax for the current taxable year is April 30, 2024. The Company has confirmed that funds in the Trust Account, including the interest earned thereon, shall not be used to pay for any excise tax that may be levied in connection with any redemptions of its Public Shares.

On July 11, 2023, holders of 467,396 Public Shares exercised their right to redeem such Public Shares for a total of approximately \$4.9 million. The Company evaluated the classification and accounting of the stock redemption under ASC 450, "Contingencies". ASC 450 states that when a loss contingency exists the likelihood that the future event(s) will confirm the loss or impairment of an asset or the incurrence of a liability can range from probable to remote. A contingent liability must be reviewed at each reporting period to determine appropriate treatment. The Company evaluated the current status and probability of completing a Business Combination as of September 30, 2023 and determined that a contingent liability should be calculated and recorded. The referenced contingent liability does not impact the condensed consolidated statements of operations during the referenced period and as pursuant to ASC 480-10-599-3A is offset against accumulated deficit. As of September 30, 2023, the Company recorded approximately \$49,000 of excise tax liability calculated as 1% of the redemption amount of \$4.9 million.

Recent Accounting Standards

In August 2020, the FASB issued Accounting Standards Update ("ASU") 2020-06, Debt — Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity's Own Equity (Subtopic 815-40) ("ASU 2020-06") to simplify accounting for certain financial instruments. ASU 2020-06 eliminates the current models that require separation of beneficial conversion and cash conversion features from convertible instruments and simplifies the derivative scope exception guidance pertaining to equity classification of contracts in an entity's own equity. The new standard also introduces additional disclosures for convertible debt and freestanding instruments that are indexed to and settled in an entity's own equity. ASU 2020-06 amends the diluted earnings per share guidance, including the requirement to use the if-converted method for all convertible instruments. ASU 2020-06 is effective January 1, 2024 and should be applied on a full or modified retrospective basis, with early adoption permitted beginning on January 1, 2021. The Company is currently assessing the impact, if any, that ASU 2020-06 would have on its financial position, results of operations or cash flows.

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

NOTE 3. INITIAL PUBLIC OFFERING

Pursuant to the IPO on January 14, 2021, the Company sold 24,000,000 Units, at a purchase price of \$10.00 per Unit. Each Unit consists of one share of common stock and one-half of one warrant to purchase one share of common stock ("Public Warrant"). Each whole Public Warrant entitles the holder to purchase one share of common stock at a price of \$11.50 per share, subject to adjustment.

On January 14, 2021, an aggregate of \$10.00 per Unit sold in the IPO was held in the Trust Account and will be held as cash or invested only in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the 1940 Act, with a maturity of 180 days or less or in any open-ended investment company that holds itself out as a money market fund selected by the Company meeting the conditions of Rule 2a-7 of the 1940 Act. The Company in January 2023 instructed Continental Stock Transfer & Trust Company, the trustee with respect to the Trust Account, to liquidate the U.S. government treasury obligations or money market funds held in the Trust Account and thereafter to hold all funds in the Trust Account in cash until the earlier of consummation of the Company's initial business combination or liquidation.

On January 19, 2021, the underwriters exercised the over-allotment option in full to purchase 3,600,000 Units. Following the closing of the IPO on January 14, 2021 and the underwriters' full exercise of the over-allotment option on January 19, 2021, \$276,000,000 was held in the Trust Account.

[Table of Contents](#)

In connection with the stockholders' vote at the special meeting of stockholders on December 23, 2022, 25,132,578 shares were tendered for redemption.

Accordingly, at September 30, 2023, 2,000,026 shares of Common Stock subject to possible redemption is presented at redemption value of \$0.93 per share, as temporary equity, outside of the stockholders' deficit section of the Company's condensed consolidated balance sheets.

As of September 30, 2023 and December 31, 2022, common stock subject to possible redemption reflected on the condensed consolidated balance sheets is reconciled in the following table:

Common stock subject to possible redemption, December 31, 2022	25,273,823
Add:	
Remeasurement of carrying value to redemption value	579,858
Common stock subject to possible redemption, March 31, 2023	25,853,681
Add:	
Remeasurement of carrying value to redemption value	609,241
Common stock subject to possible redemption, June 30, 2023	\$26,462,922
Less:	
Redemptions	(4,945,692)
Add:	
Remeasurement of carrying value to redemption value	334,134
Common stock subject to possible redemption, September 30, 2023	\$21,851,364

NOTE 4. PRIVATE PLACEMENT

Simultaneously with the closing of the IPO on January 14, 2021, the Sponsor purchased an aggregate of 6,550,000 Private Placement Warrants at a price of \$1.00 per Private Placement Warrant, for an aggregate purchase price of \$6,550,000, in a private placement (the "Private Placement").

On January 19, 2021, the underwriters exercised the over-allotment option in full to purchase 3,600,000 Units. Simultaneously with the closing of the exercise of the over-allotment option, the Company completed the private sale of an aggregate of 720,000 Private Placement Warrants to the Sponsor at a purchase price of \$1.00 per Private Placement Warrant, generating gross proceeds of \$720,000.

Each Private Placement Warrant will entitle the holder to purchase one share of common stock at a price of \$1.50 per share, subject to adjustment. The proceeds from the Private Placement Warrants were added to the proceeds from the IPO 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.

On December 23, 2021, the Company amended the warrant agreement entered into on January 11, 2021 with Continental Stock Transfer & Trust Company, a New York corporation, as warrant agent, to modify certain provisions to conform with applicable disclosure contained in the Company's final prospectus filed with the SEC on January 13, 2021. Pursuant to the amended Private Placement Warrant agreement, a Private Placement Warrant will not be redeemable by the Company for so long as it is held by its initial purchaser or a permitted transferee of such purchaser. After giving effect to the amended Private Placement Warrant agreement, the Private Placement Warrants qualify for liability classification. The difference in the aggregate fair value of the Private Placement Warrants immediately before and after the modification was recognized as an equity issuance cost and charged to additional paid-in capital.

NOTE 5. RELATED PARTY TRANSACTIONS

Founder Shares

In October 2020, the Sponsor paid \$25,000 to cover certain offering costs of the Company in consideration of 5,750,000 shares of the Company's common stock (the "Founder Shares"). On October 27, 2020, the Sponsor transferred 10,000 Founder Shares to each of the Company's independent directors and 7,500 Founder Shares to each of the Company's industry advisors at their original purchase price (the Sponsor, independent directors and industry advisors being defined herein collectively as the "initial stockholders"). On January 11, 2021, the Company effected a stock dividend of 1,150,000 shares with respect to the common stock, resulting in the initial stockholders holding an aggregate of 6,900,000 Founder Shares (up to 900,000 of which are subject to forfeiture by the Sponsor depending on the extent to which the underwriters' over-allotment option is exercised). As such, the initial stockholders collectively own 20% of the Company's issued and outstanding shares of common stock after the IPO. On January 19, 2021, the underwriter exercised its over-allotment option in full; hence, the 900,000 Founder Shares are no longer subject to forfeiture.

[Table of Contents](#)

The Sponsors and the Company's directors and officers have agreed, subject to limited exceptions, not to transfer, assign or sell any of the Founder Shares until the earlier to occur of: (A) one year after the completion of a Business Combination or (B) subsequent to a Business Combination, (x) if the last sale price of the Company's common stock equals or exceeds \$12.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after a Business Combination, or (y) the date on which the Company completes a liquidation, merger, capital stock exchange, reorganization or other similar transaction that results in all of the Company's stockholders having the right to exchange their shares of common stock for cash, securities or other property.

Transactions with Company Officers

On April 17, 2021, Griid Holdco LLC, a Delaware limited liability company ("GRIID"), entered into an engagement letter and an incentive unit award agreement (together, the "consulting agreements") with Deucalion Partners, LLC, an entity affiliated with John D'Agostino, the Company's Chief Financial Officer. Pursuant to the consulting agreements, GRIID agreed to pay to such entity \$400,000 and grant such entity units representing a 0.5% profits interest in GRIID. The cash payment will be due and payable upon the closing of the Merger. The units vested as to one-fourth on April 16, 2022, and have vested and will continue to vest 1/36th on the 17th day of each month thereafter, subject to such entity's continued service through such vesting dates, provided, however, that any unvested units shall fully vest upon the consummation of a merger with a special purpose acquisition company, qualified IPO, or other change of control transaction.

Due to Related Parties

As of September 30, 2023 and December 31, 2022, one related party paid or is obligated to pay an aggregate of approximately \$18,000 and \$139,000, respectively, on behalf of the Company to pay for deferred administrative service fees and operating costs.

Promissory Note — Related Party

On October 23, 2020, the Company issued an unsecured promissory note to the Sponsor (the "Sponsor Note"), pursuant to which the Company may borrow up to an aggregate principal amount of \$150,000. The Sponsor Note was non-interest bearing and payable on the earlier of (i) June 30, 2021, (ii) the consummation of the IPO, (iii) the abandonment of the IPO and (iv) an Event of Default (as defined in the Sponsor Note). As of December 31, 2020, the Company had borrowed \$150,000 under the Sponsor Note. On July 28, 2021, the Company repaid \$150,000 to the Sponsor under the Sponsor Note. There was no outstanding balance under the Sponsor Note as of September 30, 2023 and December 31, 2022.

On August 6, 2021, the Company issued an unsecured promissory note to the Sponsor in connection with a Working Capital Loan (as defined below) made by the Sponsor to the Company pursuant to which the Company may borrow up to \$300,000 in the aggregate. On March 12, 2023, the Company issued an amended and restated version of such note to the Sponsor, which increased the maximum aggregate amount of advances and readvances permitted from \$300,000 to \$1,000,000 (as so amended and restated form, the "Working Capital Note"). The Working Capital Note is non-interest bearing and payable on the earlier of (i) the applicable extension deadline or (ii) the effective date of a Business Combination. Any amounts outstanding under the Working Capital Note are convertible into warrants, at a price of \$1.00 per warrant at the option of the Sponsor, the terms of which shall be identical to the Private Placement Warrants. As of September 30, 2023 and December 31, 2022, the Company borrowed \$502,683 and \$300,000 under the Working Capital Note, respectively.

Loans may be made under the GRIID Note in an aggregate principal amount of up to \$1,800,000. Currently, the outstanding principal amount under the GRIID Note is \$1,478,272. Interest will accrue on the outstanding principal amount of the GRIID Note at a rate per annum equal to the Applicable Federal Rate set forth by the Internal Revenue Service pursuant to Section 1274(d) of the Internal Revenue Code. For the three and nine months ended September 30, 2023, the Company accrued \$12,457 and \$20,956, respectively, in interest expense pursuant to the GRIID Note. The GRIID Note has a maturity date of the earlier of (i) any determination by the Company's board of directors to liquidate the Company and (ii) the effective date of the merger involving Griid Holdco LLC and the Company pursuant to the Merger Agreement. The failure to timely repay outstanding amounts under the GRIID Note within five days of the maturity date or the occurrence of certain liquidation and bankruptcy events constitute an event of default under the GRIID Note and could result in acceleration of the Company's repayment obligations thereunder.

Related Party Loans

In order to finance transaction costs in connection with a Business Combination, the initial stockholders, the Sponsor or an affiliate of the Sponsor or the Company's officers and directors or their affiliates may, but are not obligated to, loan the Company funds as may be required ("Working Capital Loans"). Such Working Capital Loans would be evidenced by promissory notes, such as the Working Capital Note. The notes may be repaid upon completion of a Business Combination, without interest, or, at the lender's discretion, up to \$2,000,000 of the notes may be converted upon completion of a Business Combination into warrants at a price of \$1.00 per warrant. Such warrants would be identical to the Private Placement Warrants. 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. As of September 30, 2023 and December 31, 2022, a Working Capital Loan was outstanding in the amount of \$502,683 and \$300,000 respectively, under the Working Capital Note, as detailed under the heading "Promissory Note – Related Party."

[Table of Contents](#)

Administrative Service Fee

The Company entered into an agreement whereby, commencing on January 11, 2021, the Company has agreed to pay the Sponsor or an affiliate of the Sponsor an amount up to a total of \$10,000 per month for office space, utilities, secretarial support and administrative services. During the three and nine months ended September 30, 2023 and 2022, under such agreement, the Company incurred \$30,000 and \$90,000, respectively, in total, which is included in due to related party on the accompanying balance sheets. Upon completion of the initial Business Combination or liquidation, the Company will cease paying these monthly fees.

NOTE 6. FAIR VALUE MEASUREMENTS

The following table presents information about the Company's assets and liabilities that are measured at fair value on a recurring basis as of September 30, 2023 and December 31, 2022, and indicates the fair value hierarchy of the valuation techniques the Company utilized to determine such fair value.

	September 30, 2023	Quoted Prices In Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Liabilities:				
Warrant liability – Private Placement Warrants	\$ 523,440	\$ —	\$ —	\$ 523,440
	\$ 523,440	\$ —	\$ —	\$ 523,440

	December 31, 2022	Quoted Prices In Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Liabilities:				
Warrant liability – Private Placement Warrants	\$ 459,236	\$ —	\$ —	\$ 459,236
	\$ 459,236	\$ —	\$ —	\$ 459,236

Cash held in Trust Account

As of September 30, 2023 and December 31, 2022, the Company's Trust Account consisted of approximately \$1.5 million and \$25.0 million, respectively, in cash.

Warrant liability—Private Placement Warrants

The estimated fair value of the Private Placement Warrants was determined using Level 3 inputs. Inherent in a Monte-Carlo simulation model are assumptions related to expected stock-price volatility (pre-merger and post-merger), expected term, dividend yield and risk-free interest rate. The Company estimates the volatility of its common stock based on management's understanding of the volatility associated with instruments of other similar entities. The risk-free interest rate is based on the U.S. Treasury Constant Maturity similar to the expected remaining life of the Private Placement Warrants. The expected life of the Private Placement Warrants is simulated based on management assumptions regarding the timing and likelihood of completing a Business Combination. The dividend rate is based on the historical rate, which the Company anticipates to remain at zero. The assumptions used in calculating the estimated fair values represent the Company's best estimate. However, inherent uncertainties are involved. If factors or assumptions change, the estimated fair values could be materially different.

Table of Contents

The key inputs into the Monte Carlo simulation model for the Private Placement Warrants were as follows at September 30, 2023 and December 31, 2022:

Input	September 30, 2023	December 31, 2022
Expected term (years)	0.83	0.91
Expected volatility	4.7%	8.3%
Risk-free interest rate	5.48%	4.74%
Stock price	\$ 10.67	\$ 10.11
Dividend yield	0.00%	0.00%
Exercise price	\$ 11.50	\$ 11.50

The following table sets forth a summary of the changes in the Level 3 fair value classification:

	Warrant Liability
Fair value as of December 31, 2021	\$ 5,044,441
Change in fair value	(1,747,419)
Fair value as of March 31, 2022	3,297,022
Change in fair value	(2,923,321)
Fair value as of June 30, 2022	373,701
Change in fair value	(37,956)
Fair value as of September 30, 2022	\$ 335,745
Fair value as of December 31, 2022	\$ 459,236
Change in fair value	151,444
Fair value as of March 31, 2023	610,680
Change in fair value	21,810
Fair value as of June 30, 2023	632,490
Change in fair value	(109,050)
Fair value as of September 30, 2023	\$ 523,440

NOTE 7. COMMITMENTS AND CONTINGENCIES

Registration Rights

The holders of the Founder Shares, Private Placement Warrants and any warrants that may be issued upon conversion of the Working Capital Loans (and any shares of common stock issuable upon the exercise of the Private Placement Warrants or warrants issued upon conversion of Working Capital Loans) are entitled to registration rights pursuant to a registration rights agreement signed on January 11, 2021, 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 registers 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 registration rights agreement does not contain liquidating damages or other cash settlement provisions resulting from delays in registering the Company’s securities. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

Underwriting Agreement

The underwriters were paid a cash underwriting discount of 2.0% of the gross proceeds of the IPO, or \$5,520,000 in the aggregate. In addition, the underwriters were originally entitled to a deferred fee of 3.5% of the gross proceeds of the IPO, or \$9,660,000.

On December 6, 2022, the Company and EarlyBirdCapital, Inc. (“EarlyBird”) entered into an amendment (the “Amendment”) to the Underwriting Agreement. Among other things, the amendment reduced the amount of the deferred underwriting commission payable to EarlyBird to \$6,762,000, which amount, together with reimbursement of EarlyBird’s legal expenses in an amount not to exceed \$150,000 (the “Expense Reimbursement”), will be payable as follows: (i) upon the closing of the Company’s initial business combination, in an amount equal to the lesser of (A) \$3,381,000 plus the Expense Reimbursement and (B) the balance of the Company’s Trust Account, after all amounts payable in connection with stockholder redemptions have been so paid and (ii) the remainder pursuant to a convertible promissory note (the “EarlyBird Note”) to be made by the surviving company of the Company’s initial business combination upon the consummation of the Company’s initial business combination. As of September 30, 2023, no amount in Expense Reimbursement has been incurred. If the Company does not consummate an initial business combination, no deferred underwriting commission will be payable to EarlyBird. The Amendment also provides customary registration rights to EarlyBird for the shares of common stock of the maker issuable upon conversion of the EarlyBird Note.

[Table of Contents](#)

As a result, the Company recognized \$2,898,000 to additional paid-in capital in relation to the reduction of the deferred underwriter fee. As of September 30, 2023 and December 31, 2022, the deferred underwriting fee payable is \$6,762,000.

Merger Agreement

On November 29, 2021, the Company entered into an agreement and plan of merger (the “Initial Merger Agreement”) by and among the Company, ADEX Merger Sub, LLC, a Delaware limited liability company and a wholly owned direct subsidiary of the Company (“Merger Sub”), and GRIID. On December 23, 2021, October 17, 2022, and February 8, 2023, the parties to the Initial Merger Agreement amended the Initial Merger Agreement (as so amended, the “Merger Agreement”).

Pursuant to the Merger Agreement, at the closing of the Merger, the limited liability company membership interests of Merger Sub will be converted into an equivalent limited liability company membership interest in GRIID, and each limited liability company membership unit of GRIID that is issued and outstanding immediately prior to the effective time of the Merger will automatically be converted into and become the right to receive such unit’s proportionate share, as determined in accordance with the Merger Agreement, of 58,500,000 shares of the Company’s Common Stock.

Vendor Agreements

On August 17, 2021, the Company entered into a master services agreement (the “Evolve Agreement”) with Evolve Security, LLC (“Evolve”) for cybersecurity due diligence services related to the Merger. Under the Evolve Agreement, the Company paid Evolve \$55,000.

On August 17, 2021, the Company entered into an engagement letter (the “Edelstein Letter”) with Edelstein & Company, LLP (“Edelstein”) for accounting due diligence services related to the Merger. Under the Edelstein Letter, Edelstein estimated its fees payable by the Company to be \$16,000.

On August 17, 2021, the Company entered into an engagement letter (the “Lincoln Letter”) with Lincoln International LLC (“Lincoln”) for fairness opinion services related to the Merger. Under the Lincoln Letter, Lincoln will be entitled to receive a contingent fee in the amount of \$500,000 plus expenses upon the consummation of the Merger.

On August 18, 2021, the Company entered into a consulting agreement (the “Consulting Agreement”) with Arthur D. Little LLC (“ADL”) for technical and commercial due diligence services related to the Merger. Under the Consulting Agreement, ADL will receive a contingent fee in the amount of \$250,000 plus expenses upon the consummation of the Merger.

On September 13, 2021, the Company entered into an engagement letter (the “M&A Engagement Letter”) with Wells Fargo Securities, LLC (“Wells”), pursuant to which Wells would serve as financial advisor in connection with contemplated acquisitions made by the Company. Under the M&A Engagement Letter, Wells would receive \$1,000,000 upon the consummation of a Business Combination, which amount would be offset against any amounts to which Wells is entitled under the Capital Markets Engagement Letter (as defined below), and would be entitled to 30% of any break-up fee the Company receives upon the termination of a business combination agreement. On May 26, 2022, Wells resigned from its role as financial advisor and waived all rights to any fees and compensation in connection with such role.

On September 14, 2021, the Company entered into engagement letters relating to a private investment in public equity (“PIPE”) financing (the “PIPE Engagement Letter”) and capital markets advisory services (the “Capital Markets Engagement Letter”), each with Wells. Under the PIPE Engagement Letter, Wells would receive a contingent fee equal to 4% of the gross proceeds of securities sold in the PIPE plus expenses. The Company will be obligated to pay an additional \$1,500,000 if the gross proceeds of securities sold in a PIPE is above \$100,000,000. Under the Capital Markets Engagement Letter, Wells would receive \$3,500,000 upon the consummation of a Business Combination. On May 26, 2022, Wells resigned from its role as capital markets advisor and lead placement agent and waived all rights to any fees and compensation in connection with such roles.

Share Purchase Agreement

On September 9, 2022, the Company and GRIID entered into a share purchase agreement (the “Share Purchase Agreement”) with GEM Global Yield LLC SCS (the “Purchaser”) and GEM Yield Bahamas Limited (“GYBL”) relating to a share subscription facility. Pursuant to the Share Purchase Agreement, following the consummation of the Merger, subject to certain conditions and limitations set forth in the Share Purchase Agreement, the Company shall have the right, but not the obligation, from time to time at its option, to issue and sell to the Purchaser up to \$200.0 million of the Company’s shares of common stock (the “Shares”).

Upon the initial satisfaction of the conditions to the Purchaser’s obligation to purchase Shares set forth in the Share Purchase Agreement, the Company will have the right, but not the obligation, from time to time at its sole discretion during the 36-month period from and after the first day on which the Shares are publicly listed on a securities exchange, to direct the Purchaser to purchase up to a specified maximum amount of Shares as set forth in the Share Purchase Agreement. In connection with the execution of the Share Purchase Agreement, GRIID agreed to pay to the Purchaser in installments in connection with placements of Shares under the Share Purchase Agreement a \$4.0 million commitment fee (the “Commitment Fee”) payable in Shares or cash, as consideration for the Purchaser’s irrevocable commitment to purchase the Shares upon the terms and subject to the satisfaction of the conditions set forth in the Share Purchase Agreement. Also, GRIID will be obligated to issue to the Purchaser a warrant, expiring on the third anniversary of the public listing date of the continuing company of the Merger, to purchase 2% of the total equity interests (on a fully diluted basis) outstanding immediately after the completion of the Merger, at an exercise price per Share equal to the lesser of: (i) the closing bid price of the Company’s Shares as reported by the NYSE on September 9, 2022 and (ii) 90% of the closing price of the Shares on the public listing date. Additionally, pursuant to the Share Purchase Agreement, GRIID would be obligated to pay a private transaction fee of 1% of the total consideration paid in a private Business Combination transaction with a counterparty that was introduced to GRIID by the Purchaser or an affiliate of the Purchaser in the event that GRIID consummates such a transaction in lieu of the Merger or any other Business Combination transaction the result of which is GRIID continuing as a publicly listed company.

Blockchain Settlement and Release Agreement

On October 9, 2022, the Company entered into a settlement and release agreement with GRIID and its affiliates and Blockchain and certain of its affiliates (the “Blockchain Settlement and Release Agreement”), pursuant to which Blockchain waived any potential defaults under the Third Amended and Restated Credit Agreement between GRIID and Blockchain, dated November 19, 2021 (the “Prior Credit Agreement”) and the parties agreed to release each other from any claims related to the Prior Credit Agreement.

NOTE 8. STOCKHOLDERS’ DEFICIT

Preferred Stock— The Company is authorized to issue 1,000,000 shares of preferred stock with a par value of \$0.0001 per share with such designations, voting and other rights and preferences as may be determined from time to time by the Company’s board of directors. As of September 30, 2023 and December 31, 2022, there were no shares of preferred stock issued or outstanding.

Common Stock— The Company is authorized to issue 100,000,000 shares of common stock with a par value of \$0.0001 per share. There were 8,900,026 and 9,367,422 shares of common stock issued and outstanding, including 2,000,026 and 2,467,422 shares of common stock subject to possible redemption, as of September 30, 2023 and December 31, 2022, respectively.

Public Warrants— Public Warrants may only be exercised for a whole number of shares. No fractional warrants will be issued upon separation of the Units and only whole warrants will trade. The Public Warrants will become exercisable 30 days after the completion of a Business Combination. The Public Warrants will expire five years after the completion of a Business Combination or earlier upon redemption or liquidation.

The Company will not be obligated to deliver any shares of 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 shares of common stock underlying the warrants is then effective and a prospectus relating thereto is current, subject to the Company satisfying its obligations with respect to registration. No warrant will be exercisable and the Company will not be obligated to issue any shares of common stock upon exercise of a warrant unless 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.

If the Company’s common stock is at the time of any exercise of a warrant 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, 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 maintain in effect a registration statement, but it will be required to use its best efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available.

Table of Contents

Once the warrants become exercisable, the Company may redeem the Public Warrants:

- in whole and not in part;
- at a price of \$0.01 per warrant;
- upon not less than 30 days' prior written notice of redemption to each warrant holder; and
- if, and only if, the reported last sale price of the common stock equals or exceeds \$8.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like), for any 20 trading days within a 30 trading day period commencing once the warrants become exercisable and ending commencing once the warrants become exercisable and ending three business days before the Company sends the notice of redemption to the warrant holders.

If and when the warrants become redeemable by the Company, the Company may exercise its redemption right even if it is unable to register or qualify the underlying securities for sale under all applicable state securities laws. If the Company calls the Public Warrants for redemption, management will have the option to require all holders that wish to exercise the Public Warrants to do so on a "cashless basis," as described in the warrant agreement.

The Company has established the last of the redemption criteria 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 the Company issues 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 common stock may fall below the \$18.00 redemption trigger price as well as the \$11.50 (for whole shares) warrant exercise price after the redemption notice is issued.

If the Company calls the warrants for redemption as described above, management will have the option to require any holder that wishes to exercise its warrant including the holders (other than the original holders) of the Private Placement Warrants to do so on a "cashless basis." In determining whether to require all holders to exercise their warrants on a "cashless basis," management will consider, among other factors, the Company's cash position, the number of warrants that are outstanding and the dilutive effect on the stockholders of issuing the maximum number of shares of common stock issuable upon the exercise of the warrants. If 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 common stock equal to the quotient obtained by dividing (x) the product of the number of shares of 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" for this purpose shall mean the average reported last sale price of the 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 management takes advantage of this option, the notice of redemption will contain the information necessary to calculate the number of shares of common stock to be received upon exercise of the warrants, including the "fair market value" in such case. Requiring a cashless exercise in this manner will reduce the number of shares to be issued and thereby lessen the dilutive effect of a warrant redemption. If the Company calls the warrants for redemption and management does not take advantage of this option, the holders of the Private Placement Warrants and their 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.

The exercise price and number of shares of common stock issuable upon exercise of the warrants may be adjusted in certain circumstances, including in the event of a stock dividend, or recapitalization, reorganization, merger or consolidation. However, the warrants will not be adjusted for issuance of common stock at a price below its exercise price. Additionally, in no event will the Company be required to net cash settle the warrants. If the Company is unable to complete a Business Combination within the Combination Period and the Company liquidates the funds held in the Trust Account, holders of warrants will not receive any of such funds with respect to their warrants, nor will they receive any distribution from the Company's assets held outside of the Trust Account with the respect to such warrants. Accordingly, the warrants may expire worthless.

In addition, if (x) the Company issues additional common stock or equity-linked securities for capital raising purposes in connection with the closing of a Business Combination at an issue price or effective issue price of less than \$9.20 per share of common stock (with such issue price or effective issue price to be determined in good faith by the Company's board of directors and, in the case of any such issuance

[Table of Contents](#)

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 common stock during the 10 trading day period starting on the trading day prior 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, and the \$18.00 per share redemption trigger price will be adjusted (to the nearest cent) to be equal to 180% of the higher of the Market Value and the Newly Issued Price.

NOTE 9 — SUBSEQUENT EVENTS

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

In connection with the fourth month of the Second Extension, on October 13, 2023, GRIID Infrastructure deposited \$60,000 into the Company’s Trust Account for the Company’s public stockholders on behalf of the Company. This deposit is loaned to the Company pursuant to the GRIID Note. The outstanding principal amount under the GRIID Note is \$1,478,272.

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

References to the "Company," "Adit EdTech Acquisition Corp.," "our," "us" or "we" refer to Adit EdTech Acquisition Corp. The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the unaudited condensed consolidated financial statements and the notes thereto contained elsewhere in this Quarterly Report on Form 10-Q. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties.

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act. We have based these forward-looking statements on our current expectations and projections about future events. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions about us that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "should," "could," "would," "expect," "plan," "anticipate," "believe," "estimate," "continue," or the negative of such terms or other similar expressions. Factors that might cause or contribute to such a discrepancy include, but are not limited to, those described in our other SEC filings.

Overview

We are a blank check company incorporated in Delaware and formed for the purpose of effecting an initial business combination with one or more target businesses. We intend to effectuate our initial business combination using cash from the proceeds of our initial public offering (the "IPO") and the private placement of the warrants consummated simultaneous with the IPO (the "Private Placement Warrants"), our stock, debt or a combination of cash, stock and debt.

The issuance of additional shares of our common stock in a business combination:

- may subordinate the rights of holders of our common stock if preferred stock is issued with rights senior to those afforded our common stock;
- may subordinate the rights of holders of our common stock if preferred stock is issued with rights senior to those afforded our common stock;
- could cause a change in control if a substantial number of shares of our common stock is issued, which may affect, among other things, our ability to use our net operating loss carry forwards, if any, and could result in the resignation or removal of our present management team;
- may have the effect of delaying or preventing a change of control of us by diluting the stock ownership or voting rights of a person seeking to obtain control of us; and
- may adversely affect prevailing market prices for our common stock and/or warrants.

Similarly, if we issue debt securities, it could result in:

- default and foreclosure on our assets if our operating revenues after an initial business combination are insufficient to repay our debt obligations;
- acceleration of our obligations to repay the indebtedness even if we make all principal and interest payments when due if we breach certain covenants that require the maintenance of certain financial ratios or reserves without a waiver or renegotiation of that covenant;
- our immediate payment of all principal and accrued interest, if any, if the debt security is payable on demand;
- our inability to obtain necessary additional financing if the debt security contains covenants;

- restricting our ability to obtain such financing while the debt security is outstanding;
- our inability to pay dividends on our common stock;
- using a substantial portion of our cash flow to pay principal and interest on our debt, which will reduce the funds available for dividends on our common stock if declared, our ability to pay expenses, make capital expenditures and acquisitions, and fund other general corporate purposes;
- limitations on our flexibility in planning for and reacting to changes in our business and in the industry in which we operate;
- increased vulnerability to adverse changes in general economic, industry and competitive conditions and adverse changes in government regulation;
- limitations on our ability to borrow additional amounts for expenses, capital expenditures, acquisitions, debt service requirements and execution of our strategy; and
- other purposes and other disadvantages compared to our competitors who have less debt.

On January 14, 2021, we completed our IPO of 24,000,000 units (the “Units”). Each Unit consists of one share of our common stock and one-half of one redeemable warrant. Each whole warrant entitles the holder thereof to purchase one share of common stock at an exercise price of \$11.50 per share, subject to adjustment. The Units were sold at an offering price of \$10.00 per Unit, generating gross proceeds of \$240,000,000.

On January 14, 2021, simultaneously with the consummation of the IPO, we completed a private placement of an aggregate of 6,550,000 Private Placement Warrants at a price of \$1.00 per Private Placement Warrant, generating gross proceeds of \$6,550,000.

On January 15, 2021, the IPO underwriters exercised their over-allotment option in full, and, on January 19, 2021, the IPO underwriters purchased an additional 3,600,000 Units at an offering price of \$10.00 per Unit, generating gross proceeds of \$36,000,000. Simultaneously with the closing of the sale of additional Units, we sold an additional 720,000 Private Placement Warrants at a price of \$1.00 per Private Placement Warrant, generating gross proceeds of \$720,000. As of January 19, 2021, an aggregate amount of \$276,000,000 of the net proceeds from the IPO (including the additional 3,600,000 Units and additional 720,000 Private Placement Warrants) were deposited in our trust account established in connection with the IPO (the “Trust Account”).

We paid a total of approximately \$5.5 million in underwriting discounts and commissions and approximately \$0.6 million for other costs and expenses related to the IPO.

We will have until the extension date, which is January 14, 2024, to complete a business combination or otherwise (a) cease all operations except for the purpose of winding up, (b) as promptly as reasonably possible but not more than ten business days thereafter, redeem all of the shares of common stock included as part of the Units and (c) as promptly as reasonably possible following such redemption, subject to the approval of our remaining stockholders and in accordance with applicable law, dissolve and liquidate.

In connection with the stockholders’ vote at a special meeting of stockholders held on December 23, 2022, holders of 25,132,578 shares of common stock exercised their right to redeem such shares for a pro rata portion of the funds in the Trust Account, representing approximately \$253.6 million (approximately \$10.09 per share). In connection with the stockholders’ vote at a special meeting of stockholders held on July 11, 2023, holders of 467,396 shares of common stock exercised their right to redeem such shares for a pro rata portion of the funds in the Trust Account, representing approximately \$4.9 million (approximately \$10.58 per share).

Results of Operations

Our entire activity since inception up to September 30, 2023 relates to our formation, the IPO and, since the closing of the IPO, a search for a business combination candidate. We will not be generating any operating revenues until the closing and completion of our initial business combination, at the earliest.

Three Months Ended September 30, 2023 and 2022

For the three months ended September 30, 2023, we had net loss of approximately \$0.2 million, which consisted of interest on note of approximately \$12,000, \$0.5 million in formation and operating costs and provision for income taxes of approximately \$38,000, offset by interest earned on cash held in the Trust Account of approximately \$0.2 million and change in fair value of warrant liability of approximately \$0.1 million.

For the three months ended September 30, 2022, we had net income of approximately \$0.7 million, which consisted of change in fair value of warrant liability of approximately \$38,000 and interest earned on marketable securities held in the Trust Account of approximately \$1.3 million, offset by approximately \$0.4 million in formation and operating costs and provision for income taxes of \$294,065.

Nine Months Ended September 30, 2023 and 2022

For the nine months ended September 30, 2023, we had net loss of approximately \$1.9 million, which consisted of change in fair value of warrant liability of approximately \$64,000, interest on note of approximately \$21,000, approximately \$2.3 million in formation and operating costs and provision for income taxes of approximately \$0.1 million, offset by interest earned on cash held in the Trust Account of approximately \$0.6 million.

For the nine months ended September 30, 2022, we had net income of approximately \$4.6 million, which consisted of change in fair value of warrant liability of approximately \$4.7 million and interest earned on marketable securities held in the Trust Account of approximately \$1.7 million, offset by approximately \$1.5 million in formation and operating costs and provision for income taxes of approximately \$0.3 million.

Liquidity and Capital Resources

As of September 30, 2023, we had approximately \$0.2 million in our operating bank account.

Prior to the completion of the IPO, our liquidity needs had been satisfied through a capital contribution from the Sponsor of \$25,000 in exchange for shares of our common stock, to cover certain offering costs, and a loan under an unsecured promissory note from the Adit EdTech Sponsor, LLC (the "Sponsor") of \$150,000. Subsequent to the consummation of the IPO and the concurrent private placement, our liquidity needs have been satisfied through the proceeds from the consummation of the Private Placement Warrants not held in the Trust Account.

In addition, in order to finance transaction costs in connection with a business combination, our Sponsor or an affiliate of the Sponsor, or certain of our officers and directors may, but are not obligated to, provide us working capital loans ("Working Capital Loans").

On August 6, 2021, we issued an unsecured promissory note to the Sponsor in connection with a Working Capital Loan made by the Sponsor to us pursuant to which we were permitted to borrow up to \$300,000 in the aggregate, until such promissory note was amended and restated on March 12, 2023 to permit borrowing up to \$1,000,000 (as so amended and restated, the "Working Capital Note"). The Working Capital Note is non-interest bearing and payable on the earlier to occur of (i) the applicable extension date or (ii) the effective date of a business combination. Any amounts outstanding under the Working Capital Note are convertible into warrants, at a price of \$1.00 per warrant at the option of the Sponsor, the terms of which shall be identical to the Private Placement Warrants. As of September 30, 2023, we had borrowed \$502,683 under the Working Capital Note.

On October 9, 2022, we entered into a settlement and release agreement with Grid Holdco LLC ("GRIID") and its affiliates and Blockchain Access UK Limited ("Blockchain") and certain of its affiliates (the "Blockchain Settlement and Release Agreement"), pursuant to which Blockchain waived any potential defaults under the Third Amended and Restated Credit Agreement between GRIID and Blockchain, dated November 19, 2021 (the "Prior Credit Agreement") and the parties agreed to release each other from any claims related to the Prior Credit Agreement. Also on October 9, 2022, GRIID and its affiliates entered into the Fourth Amended and Restated Loan Agreement (the "Credit Agreement") with Blockchain and its affiliates. The Credit Agreement amended and restated the Prior Credit Agreement in its entirety, providing for a restructured senior secured term loan in the amount of approximately \$57.4 million, which represents GRIID's outstanding obligations under the Prior Credit Agreement after giving effect to the Credit Agreement. GRIID also issued to Blockchain a warrant in connection with the credit agreement, which will be automatically adjusted and exercised for an exercise price of \$0.01 into a number of GRIID Class B units to be equal to 10% of the issued and outstanding capital stock of the continuing company following the closing of the proposed merger (the "Merger") with GRIID (the continuing company following the Merger, "New GRIID") immediately following the closing of the Merger.

On December 6, 2022, we and EarlyBirdCapital, Inc. (“EarlyBird”) entered into an amendment to the underwriting agreement dated as of January 11, 2021, relating to our IPO (as so amended, the “underwriting agreement”). Among other things, the amendment reduces the amount of the deferred underwriting commission payable to EarlyBird to \$6,762,000, which amount, together with reimbursement of EarlyBird’s legal expenses in an amount not to exceed \$150,000 (the “Expense Reimbursement”), will be payable as follows: (i) upon the closing of our initial business combination, in an amount equal to the lesser of (A) \$3,381,000 plus the Expense Reimbursement and (B) the balance of our Trust Account, after all amounts payable in connection with stockholder redemptions have been so paid and (ii) the remainder pursuant to a convertible promissory note (the “EarlyBird Note”) to be made by the surviving company of our initial business combination (the “Maker”) upon the consummation of our initial business combination. If we do not consummate an initial business combination, no deferred underwriting commission will be payable to EarlyBird. The amendment also provides customary registration rights to EarlyBird for the shares of common stock of the Maker (the “Maker’s common stock”) issuable upon conversion of the EarlyBird Note.

The EarlyBird Note is expected to bear interest at a rate of 8% per annum and is expected to mature upon the one-year anniversary of the date of its issuance upon consummation of our initial business combination (the “Maturity Date”). The EarlyBird Note is expected to provide that the full amount of the EarlyBird Note may be converted at EarlyBird’s election on the Maturity Date or any date on which the Maker elects to voluntarily prepay any or all of the outstanding principal and accrued interest into shares of the Maker’s common stock, at a per share conversion price equal to 90% of the trailing five trading day volume weighted average price of a share of the Maker’s common stock. The EarlyBird Note is also expected to contain a provision precluding conversion to the extent such conversion would result in an issuance exceeding the maximum number of shares of the Maker’s common stock permitted to be issued without a vote of the Maker’s stockholders.

The EarlyBird Note is expected to provide for mandatory prepayments from time to time after the date of the EarlyBird Note’s issuance, in amounts equal to 15% of the gross proceeds received by the Maker from any equity lines, forward purchase agreements or other equity financings consummated by Maker prior to the Maturity Date. The EarlyBird Note is also expected to provide for penalty-free prepayments in whole or in part, at the election of the Maker.

The form of EarlyBird Note provides that the Maturity Date may be accelerated upon the occurrence of certain customary Events of Default (as defined therein). Upon the occurrence an Event of Default, the EarlyBird Note would bear interest at a rate of 15% per annum from, and including, the Maturity Date (or such earlier date if the obligation to repay the EarlyBird Note is accelerated) to, but excluding, the date of repayment.

On January 12, 2023, February 8, 2023, March 12, 2023, April 5, 2023, May 12, 2023 and June 12, 2023, our board of directors elected to extend the date by which we must complete an initial business combination by one month each time, from January 14, 2023 to July 14, 2023 (the “Initial Extensions”). In connection with the Initial Extensions, GRIID Infrastructure LLC (“GRIID Infrastructure”) deposited an aggregate of \$888,272 (representing \$0.06 per IPO Share per month) into our Trust Account for its public stockholders on behalf of us. This deposit is loaned to us pursuant to a promissory note issued by us to GRIID Infrastructure on January 13, 2023. The Initial Extensions are the first, the second, the third, fourth, fifth, and sixth of six one-month extensions permitted under our governing documents and provide us with additional time to complete our initial business combination.

On July 11, 2023, we obtained stockholder approval to allow us to further extend the time by which we must complete our initial business combination up to an additional two times at the election of our board of directors for an additional three months each time, for a maximum of two three-month extensions. Effective as of such date, we amended our amended and restated certificate of incorporation, as amended, to provide for such extensions. In connection with the stockholders’ vote, holders of 467,396 shares of common stock exercised their right to redeem such shares for a pro rata portion of the funds in the Trust Account, representing approximately \$4.9 million (approximately \$10.58 per share).

On each of July 12, 2023 and September 29, 2023, our board of directors elected to extend the dates by which we must complete an initial business combination by three months, from July 14, 2023 to October 14, 2023 and from October 14, 2023 to January 14, 2024, respectively (together, the “Second Extension”). In connection with the first four months of the Second Extension, GRIID Infrastructure deposited an aggregate of \$240,000 (\$60,000 per month representing approximately \$0.03 per public share) into the Trust Account.

On July 18, 2023 and August 8, 2023, pursuant to the GRIID Note we drew, \$150,000 and \$200,000, respectively, for working capital purposes.

Pursuant to the GRIID Note, we may borrow up to \$1.8 million in the aggregate. The GRIID Note is interest-bearing, at a rate per annum equal to the Applicable Federal Rate set forth by the Internal Revenue Service pursuant to Section 1274(d) of the Internal Revenue Code, and payable on the earlier of (i) the date on which a definitive decision to liquidate our Company is made by our board of directors, and (ii) the closing of the Merger, unless accelerated upon the occurrence of an event of default. Any outstanding principal amount under the GRIID Note may be prepaid by us, at our election and without penalty.

Going Concern Consideration

We anticipate that the approximately \$0.2 million in the operating bank account as of September 30, 2023 will not be sufficient to allow us to operate for at least the next 12 months, assuming that a Business Combination is not consummated during that time. We have incurred and expect to continue to incur significant costs in pursuit of its financing and acquisition plans. These conditions raise substantial doubt about our ability to continue as a going concern one year from the issuance date of the financial statements. Management plans to address this uncertainty through loans from the Sponsor, officers, directors, or third parties. None of the Sponsor, officers or directors are under any obligation to advance funds to or to invest in us. There is no assurance that the plans to raise capital or to consummate a business combination will be successful. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Further, if we are unable to complete a Business Combination prior to the applicable extension date, then we will (a) cease all operations except for the purpose of winding up, (b) as promptly as reasonably possible but not more than ten business days thereafter, redeem all of the Public Shares and (c) as promptly as reasonably possible following such redemption, subject to the approval of our remaining stockholders and in accordance with applicable law, dissolve and liquidate. The date for mandatory liquidation and subsequent dissolution as well as our working capital deficit raise substantial doubt about our ability to continue as a going concern. No adjustments have been made to the carrying amounts of assets or liabilities should we be required to liquidate after the applicable extension date.

Off-Balance Sheet Financing Arrangements

As of September 30, 2023, we did not have any off-balance sheet arrangements. We have no obligations, assets or liabilities which would be considered off-balance sheet arrangements. We do not participate in transactions that create relationships with unconsolidated entities or financial partnerships, often referred to as variable interest entities, which would have been established for the purpose of facilitating off-balance sheet arrangements. We have not entered into any off-balance sheet financing arrangements, established any special purpose entities, guaranteed any debt or commitments of other entities, or entered into any non-financial assets.

On September 9, 2022, we and Griid Infrastructure LLC (“Griid Infrastructure”) entered into a share purchase agreement (the “Share Purchase Agreement”) with GEM Global Yield LLC SCS (the “Purchaser”) and GEM Yield Bahamas Limited relating to a share subscription facility. Pursuant to the Share Purchase Agreement, following the Merger, subject to certain conditions and limitations set forth in the Share Purchase Agreement, New GRIID shall have the right, but not the obligation, from time to time at its option, to issue and sell to the Purchaser up to \$200.0 million of its shares of common stock.

On November 29, 2021, we entered into an agreement and plan of merger (the “Initial Merger Agreement”) by and among us, ADEX Merger Sub, LLC, a Delaware limited liability company and a wholly owned direct subsidiary of the Company (“Merger Sub”), and GRIID. On December 23, 2021, October 17, 2022, and February 8, 2023, the parties to the Initial Merger Agreement amended the Initial Merger Agreement.

The Merger Agreement and the transactions contemplated thereby were unanimously approved by the board of directors of ADEX and the board of managers of GRIID.

Contractual Obligations

At September 30, 2023, we did not have any long-term debt, capital lease obligations, operating lease obligations or long-term liabilities, other than what is disclosed in the condensed balance sheet.

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, and, as a result, we may not comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. As a result, 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 CEO’s compensation to median employee compensation. These exemptions will apply for a period of five years following the completion of the IPO or until we are no longer an “emerging growth company,” whichever is earlier.

Critical Accounting Policies

Management’s discussion and analysis of our results of operations and liquidity and capital resources are based on our unaudited condensed consolidated financial information. We describe our significant accounting policies in Note 2—Significant Accounting Policies of the Notes to Financial Statements included in this Quarterly Report on Form 10-Q. Our unaudited condensed consolidated financial statements have been prepared in accordance with U.S. GAAP. Certain of our accounting policies require that management apply significant judgments in defining the appropriate assumptions integral to financial estimates. On an ongoing basis, management reviews the accounting policies, assumptions, estimates and judgments to ensure that our financial statements are presented fairly and in accordance with U.S. GAAP. Judgments are based on historical experience, terms of existing contracts, industry trends and information available from outside sources, as appropriate. However, by their nature, judgments are subject to an inherent degree of uncertainty, and, therefore, actual results could differ from our estimates.

We have identified the following as our critical accounting policies:

Common Stock Subject to Possible Redemption

All of the outstanding Public Shares contain a redemption feature, which allows for the redemption of such Public Shares in connection with our liquidation, if there is a stockholder vote or tender offer in connection with a business combination or in connection with certain amendments to our amended and restated certificate of incorporation, as amended. In accordance with ASC 480-10-S99, redemption provisions not solely within the control of the Company require shares of common stock subject to redemption to be classified outside of permanent equity. Therefore, shares of common stock were classified outside of permanent equity as of September 30, 2023 and December 31, 2022.

We recognize changes in redemption value immediately as they occur upon the IPO and will adjust the carrying value of redeemable shares of common stock to equal the redemption value at the end of each reporting period. Increases or decreases in the carrying amount of redeemable shares of common stock are recorded as charges against additional paid-in capital and accumulated deficit.

On December 23, 2022, we held a special meeting of stockholders in which the stockholders approved an amendment to our amended and restated certification of incorporation, as amended, to extend the date by which we must consummate an initial business combination up to six times at the election of our board of directors for an additional one month each time (for a maximum of six one-month extensions) or otherwise (a) cease all operations except for the purpose of winding up, (b) as promptly as reasonably possible but not more than ten business days thereafter, redeem all of the shares of common stock included as part of the Units sold in our IPO and (c) as promptly as reasonably possible following such redemption, subject to the approval of our remaining stockholders and in accordance with applicable law, dissolve and liquidate. On July 11, 2023, we obtained stockholder approval to allow us to further extend the time by which we must complete our initial business combination up to an additional two times at the election of our board of directors for an additional three months each time, for a maximum of two three-month extensions.

In connection with the stockholders’ vote at the special meeting of stockholders on December 23, 2022, holders of 25,132,578 shares of common stock exercised their right to redeem such shares for a pro rata portion of the funds in our Trust Account, representing approximately \$253.6 million (approximately \$10.09 per share). Following redemptions, we had 2,467,422 IPO Shares outstanding.

In connection with the stockholders’ vote at a special meeting of stockholders held on July 11, 2023, holders of 467,396 shares of common stock exercised their right to redeem such shares for a pro rata portion of the funds in the Trust Account, representing approximately \$4.9 million (approximately \$10.58 per share). Following redemptions, we have 2,000,026 IPO Shares outstanding.

Derivative Financial Instruments

We do not use derivative instruments to hedge exposures to cash flow, market or foreign currency risks. We evaluate all of our financial instruments, including issued stock purchase warrants, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives, pursuant to ASC 480 and ASC 815-40, “Derivatives and Hedging – Contracts in Entity’s Own Stock (“ASC 815-40”).” The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period.

At September 30, 2023, we evaluated both the Public Warrants and Private Placement Warrants under ASC 480 and ASC 815-40. Such guidance provides that, because the Private Placement Warrants do not meet the criteria for equity treatment thereunder, each Private Placement Warrant must be recorded as a liability. Accordingly, we classified each warrant as a liability at 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 our statements of operations. The private placement warrants had met the requirement for equity accounting treatment when initially issued. On December 23, 2021, the Private Placement Warrants were modified such that the Private Placement Warrants no longer meet the criteria for equity treatment. As such, the Private Placement warrants were treated as derivative liability instruments from the date of the modification.

Recent Accounting Standards

In August 2020, the Financial Accounting Standards Board (“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 fiscal years beginning after December 15, 2023, including interim periods within those fiscal years, with early adoption permitted. We are currently assessing the impact, if any, that ASU 2020-06 would have on our financial position, results of operations or cash flows.

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

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

As of September 30, 2023, we were not subject to any market or interest rate risk. As of September 30, 2023, the net proceeds of our IPO, including amounts in the Trust Account, were held solely in cash. Due to the short-term nature of cash, we believe there will be no associated material exposure to interest rate risk.

Item 4. Controls and Procedures.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under Securities Exchange Act of 1934, as amended (the “Exchange Act”), is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Evaluation of Disclosure Controls and Procedures

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures. Based upon their evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2023.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the quarter ended of September 30, 2023 covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we are subject to claims in legal proceedings arising in the normal course of our business. We do not believe that we are currently party to any pending legal actions that could reasonably be expected to have a material adverse effect on our business, financial condition, results of operations, or cash flows.

Item 1A. Risk Factors.

We have included in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2022 and in Part II, Item 1A. of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2023, a description of certain risks and uncertainties that could affect our business, future performance or financial condition (the “Risk Factors”). During the three months ended September 30, 2023, there were no material changes from the disclosure provided in the Form 10-K for the year ended December 31, 2022 and the Form 10-Q for the quarter ended June 30, 2023,. Investors should consider the Risk Factors prior to making an investment decision with respect to our stock.

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

None

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not Applicable.

Item 5. Other Information.

Not Applicable.

Item 6. Exhibits

Exhibit	Description
2.1	<u>Agreement and Plan of Merger, dated as of November 29, 2021, by and among Adit EdTech Acquisition Corp., ADEX Merger Sub, LLC and Griid Holdco LLC (Incorporated by reference to exhibit 2.1 to the Company's Current Report on Form 8-K (File No. 001-39872), filed with the SEC on November 30, 2021)</u>
2.2	<u>First Amendment to Agreement and Plan of Merger, dated as of December 23, 2021, by and among Adit EdTech Acquisition Corp., ADEX Merger Sub, LLC and Griid Holdco LLC (Incorporated by reference to exhibit 2.2 to the Company's Registration Statement on Form S-4 (Registration No. 333-261880), filed with the SEC on December 23, 2021)</u>
2.3	<u>Second Amendment to Agreement and Plan of Merger, dated as of October 17, 2022, by and among Adit EdTech Acquisition Corp., ADEX Merger Sub, LLC and Griid Holdco LLC (Incorporated by reference to exhibit 2.1 to the Company's Current Report on Form 8-K (File No. 001-39872), filed with the SEC on October 19, 2022)</u>
2.4	<u>Third Amendment to Agreement and Plan of Merger, dated as of February 8, 2023, by and among Adit EdTech Acquisition Corp., ADEX Merger Sub, LLC and Griid Holdco LLC (Incorporated by reference to exhibit 2.3 to Amendment No. 4 to the Company's Registration Statement on Form S-4 (Registration No. 333-261880), filed with the SEC on February 9, 2023)</u>
3.1	<u>Amended and Restated Certificate of Incorporation, as amended (incorporated by reference to exhibit 3.1 to the Company's Quarterly Report on Form 10-Q (File No. 001-39872), filed with the SEC on August 14, 2023)</u>
3.2	<u>Amended and Restated Bylaws of Adit EdTech Acquisition Corp. (Incorporated by reference to exhibit 3.2 to the Company's Current Report on Form 8-K (File No. 001-39872), filed with the SEC on October 19, 2022)</u>
4.1	<u>Amended and Restated Promissory Note (Incorporated by reference to exhibit 4.6 to Amendment No. 8 to the Company's Registration Statement on Form S-4 (Registration No. 333-261880), filed with the SEC on July 14, 2023)</u>
31.1*	<u>Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes Oxley Act of 2002.</u>
31.2*	<u>Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes Oxley Act of 2002.</u>
32.1*	<u>Certification of the 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 the 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>
101.INS	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL 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	The cover page for the Company's Quarterly Report on Form 10-Q has been formatted in Inline XBRL and contained in Exhibit 101

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this Quarterly Report on Form 10-Q to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: November 13, 2023

Adit EdTech Acquisition Corp.

/s/ David L. Shrier
David L. Shrier
Chief Executive Officer and Chairman
(Principal Executive Officer)

Dated: November 13, 2023

/s/ John J. D'Agostino
John J. D'Agostino
Chief Financial Officer
(Principal Financial Officer and Accounting Officer)

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

I, David L. Shrier, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Adit EdTech Acquisition Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer 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 most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2023

By: /s/ David L. Shrier
Name: David L. Shrier
Title: Chief Executive Officer

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

I, John J. D'Agostino, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Adit EdTech Acquisition Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer 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 most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2023

By: /s/ John J. D'Agostino
Name: John J. D'Agostino
Title: 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 Quarterly Report of Adit EdTech Acquisition Corp. (the "Company") on Form10-Q for the period ended September 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David L. Shrier, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 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 of the Company at the end of the period covered by the Report and results of operations of the Company for the period covered by the Report.

Date: November 13, 2023

By: /s/ David L. Shrier

Name: David L. Shrier

Title: Chief Executive Officer

This certification accompanies the Report and shall not be deemed "filed" by the Company with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing.

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

In connection with the Quarterly Report of Adit EdTech Acquisition Corp. (the "Company") on Form10-Q for the period ended September 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John J. D'Agostino, Chief Financial Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 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 of the Company at the end of the period covered by the Report and results of operations of the Company for the period covered by the Report.

Date: November 13, 2023

By: /s/ John J. D'Agostino

Name: John J. D'Agostino

Title: Chief Financial Officer

This certification accompanies the Report and shall not be deemed "filed" by the Company with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing.