

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

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

(Mark One)

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

For the fiscal year ended December 31, 2020

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-38302

**TUSCAN HOLDINGS CORP.**

(Exact name of registrant as specified in its charter)

Delaware

83-2530757

(State or other jurisdiction of  
incorporation or organization)

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

135 E. 57th St., 18th Floor  
New York, NY 10022

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (646) 948-7100

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 redeemable warrant	THCBU	The Nasdaq Stock Market LLC
Common stock, par value \$0.0001 per share	THCB	The Nasdaq Stock Market LLC
Redeemable warrants, exercisable for shares of common stock at an exercise price of \$11.50 per share	THCBW	The Nasdaq Stock Market LLC

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the 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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

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

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

The aggregate market value of the common stock outstanding, other than shares held by persons who may be deemed affiliates of the registrant, computed by reference to the closing price for the common stock as of the last business day of the registrant's most recently completed second fiscal quarter (\$10.23 as of June 30, 2020), as reported on the Nasdaq Capital Market, was approximately \$282,348,000.

The number of shares outstanding of the registrant's common stock, as of May 21, 2021, was 35,470,512.

Documents Incorporated by Reference: None.

## EXPLANATORY NOTE

### **Overview**

Tuscan Holdings Corp. (the “Company” or “Tuscan”) is filing this Amendment No. 1 on Form 10-K/A (the “Amendment”) to the Annual Report on Form 10-K for the year ended December 31, 2020, originally filed with the U.S. Securities and Exchange Commission (the “SEC”) on March 25, 2021 (the “Original 10-K”) as a comprehensive amendment to amend and restate its financial statements and related footnote disclosures as of and for the year ended December 31, 2020, and the financial statements and related footnote disclosures included in the Annual Report on Form 10-K as of and for the year ended December 31, 2019 (the “2019 10-K”), each of the Forms 10-Q as of and for the periods ended March 31, 2019, June 30, 2019, September 30, 2019, March 31, 2020, June 30, 2020 and September 30, 2020 (collectively, the “Original 10-Qs”), and the balance sheet as of March 7, 2019 (the “March 7, 2019 Balance Sheet”). Accordingly, the following sections of the Original 10-K are being amended and restated hereby: Part I, Item 1A “Risk Factors”, Part II, Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, Part II, Item 8 “Financial Statements and Supplementary Data”, Part II, Item 9A “Controls and Procedures” and Part IV, Item 15, “Exhibits and Financial Statement Schedules”. In addition, as required by Rule 12b-15 under the Securities Exchange Act of 1934, as amended (“Exchange Act”), new certifications by our principal executive officer and principal financial officer are being filed as exhibits to this Amendment.

As noted above, Part II, Item 8 “Financial Statements and Supplementary Data” and Part IV, Item 15, “Exhibits and Financial Statement Schedules” of this Amendment reflects the restatement of financial information included in the Original 10-K, 2019 10-K, the Original 10-Qs, and March 7, 2019 Balance Sheet, and it supersedes the financial information included therein. We have also evaluated subsequent events and events that occurred after December 31, 2020 and have updated Note 12 to the financial statements included herein. The 2019 10-K, March 7, 2019 Balance Sheet, and the Original 10-Qs are not being separately amended and, accordingly, the financial information therein should not be relied upon.

Except as described above, no other changes have been made to the Original 10-K. Accordingly, this Amendment should be read in conjunction with the Original 10-K and our filings with the SEC subsequent to the date of the Original 10-K.

### **Background of Restatement**

On May 28, 2021, the Company’s management and audit committee of the board of directors (“Audit Committee”) of the Company determined, after consultation with Marcum LLP, the Company’s independent registered public accounting firm, that the Company’s financial statements which were included in the Original 10-K, 2019 10-K, the Original 10-Qs, and March 7, 2019 Balance Sheet should no longer be relied upon due to an error in such financial statements relating to the Company’s accounting for an aggregate of 687,000 warrants underlying units issued to the Company’s sponsor in a private placement that closed concurrently with the closing of the Company’s initial public offering (such warrants, the “Private Warrants”) as equity instead of accounting for the Private Warrants as derivative liabilities.

The error was uncovered following the release of a joint statement on April 12, 2021 by the Acting Director of the Division of Corporation Finance and Acting Chief Accountant of the SEC regarding the accounting and reporting considerations for warrants issued by special purpose acquisition companies entitled “Staff Statement on Accounting and Reporting Considerations for Warrants Issued by Special Purpose Acquisition Companies (“SPACs”) (the “SEC Statement”). The SEC Statement advises, among other things, that certain settlement terms and provisions generally present in SPAC warrants preclude such warrants from being accounted for as equity.

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As a result of the SEC Statement, the Company reevaluated the accounting treatment of the Private Warrants. In consideration of the guidance in Accounting Standards Codification (“ASC”) 815-40, “*Derivatives and Hedging — Contracts in Entity’s Own Equity*”. ASC Section 815-40-15 addresses equity versus liability treatment and classification of equity-linked financial instruments, including warrants, and states that a warrant may be classified as a component of equity only if, among other things, the warrant is indexed to the issuer’s common stock. Under ASC Section 815-40-15, a warrant is not indexed to the issuer’s common stock if the terms of the warrant require an adjustment to the exercise price upon a specified event and that event is not an input to the fair value of the warrant. Based on management’s evaluation, the Company’s audit committee, in consultation with management and after discussion with the Company’s independent registered public accounting firm, concluded that the Private Warrants are not indexed to the Company’s common stock in the manner contemplated by ASC Section 815-40-15 because the holder of the instrument is not an input into the pricing of a fixed-for-fixed option on equity shares. Accordingly, the Private Warrants are required to be classified as a liability measured at fair value at inception (on the date of issuance) and at each reporting date in accordance with ASC 820, “*Fair Value Measurement*”, with changes in fair value recognized in the statement of operations in the period of change.

The restatement results in non-cash, non-operating financial statement corrections and will have no impact on Tuscan’s current or previously reported cash position, operating expenses or total operating, investing or financing cash flows.

See Part IV, Item 15, Note 2, “Restatement of Previously Issued Financial Statements” of the notes to the financial statements of this Amendment for a more detailed discussion of the error and the effects of the restatement.

### ***Internal Control Considerations***

In connection with the restatement, the Company’s management reassessed the effectiveness of its disclosure controls and procedures as of December 31, 2020. As a result of that reassessment and in light of the SEC Statement, the Company’s management determined that its disclosure controls and procedures as of December 31, 2020 were not effective solely as a result of its accounting for the Private Warrants as components of equity instead of as derivative liabilities. For a discussion of management’s consideration of the material weakness identified, see Item 9A. Controls and Procedures included in this Amendment.

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TUSCAN HOLDINGS CORP.  
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## Item 1A Risk Factors

*An investment in our securities involves a high degree of risk. You should consider carefully the risks described below, which we believe represent the material risks related to Tuscan, together with the other information contained in this Amendment and the Original 10-K, before making a decision to invest in Tuscan. The risks set forth below do not include specific risks relating to our proposed business combination with Microvast, or the risks inherent in Microvast's business, which are included in the preliminary proxy statement which we filed with the SEC on February 16, 2021. The risks presented below assumes that we will not consummate the proposed business combination with Microvast, and that we will secure a further extension to consummate an initial business combination and then seek to find an alternative target with which to consummate an initial business combination.*

*This Amendment and the Original 10-K also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of specific factors, including the risks described below.*

### **Risks Relating to the Restatement**

***Our Private Warrants are accounted for as liabilities and the changes in value of our warrants could have a material effect on our financial results.***

On April 12, 2021, the Acting Director of the Division of Corporation Finance and Acting Chief Accountant of the SEC together issued a statement regarding the accounting and reporting considerations for warrants issued by special purpose acquisition companies entitled "Staff Statement on Accounting and Reporting Considerations for Warrants Issued by Special Purpose Acquisition Companies ("SPACs") (the "SEC Statement"). The SEC Statement advises, among other things, that certain adjustments generally present in SPAC warrants preclude such warrants from being accounted for as equity. As a result of the SEC Statement, we reevaluated the accounting treatment of the Private Warrants and determined to classify the Private Warrants as liabilities measured at fair value, with changes in fair value recognized in the statement of operations in the period of change.

As a result, included on our balance sheet as of December 31, 2020 is a derivative liability related to embedded features contained within our Private Warrants. Accounting Standards Codification 815, Derivatives and Hedging ("ASC 815"), provides for the remeasurement of the fair value of such derivatives at each balance sheet date, with a resulting non-cash gain or loss related to the change in the fair value being recognized in earnings in the statement of operations. As a result of the recurring fair value measurement, our financial statements and results of operations may fluctuate quarterly, based on factors, which are outside of our control. Due to the recurring fair value measurement, we expect that we will recognize non-cash gains or losses on our Private Warrants each reporting period and that the amount of such gains or losses could be material.

***We have identified a material weakness in our internal control over financial reporting as of December 31, 2020. If we are unable to develop and maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results in a timely manner, which may adversely affect investor confidence in us and materially and adversely affect our business and operating results.***

Following this issuance of the SEC Statement, on May 28, 2021, after consultation with Marcum LLP, the Company's independent registered public accounting firm, the Company's management and the Audit Committee concluded that the Company's financial statements which were included in the Original 10-K, 2019 10-K, March 7, 2019 Balance Sheet, and the Original 10-Qs should no longer be relied upon due to errors in such financial statements relating to the Company's accounting for the Private Warrants as equity rather than as liabilities. As a result, our management concluded that our internal control over financial reporting was not effective as of December 31, 2020 due to the existence of material weaknesses in such controls, and we have also concluded that our disclosure controls and procedures were not effective as of December 31, 2020 due to material weaknesses in our internal control over financial reporting, all as described in Part II, Item 9A, "Controls and Procedures" of this Amendment. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented, or detected and corrected on a timely basis. Effective internal controls are necessary for us to provide reliable financial reports and prevent fraud. We continue to evaluate steps to remediate the material weakness. These remediation measures may be time consuming and costly and there is no assurance that these initiatives will ultimately have the intended effects.

Moreover, because of the inherent limitations of any control system, material misstatements due to error or fraud may not be prevented or detected and corrected on a timely basis, or at all. If we are unable to provide reliable and timely financial reports in the future, our business and reputation may be further harmed. Restated financial statements and failures in internal control may also cause us to fail to meet reporting obligations, negatively affect investor confidence in our management and the accuracy of our financial statements and disclosures, or result in adverse publicity and concerns from investors, any of which could have a negative effect on the price of our securities, subject us to regulatory investigations and penalties or stockholder litigation, and have a material adverse impact on our financial condition.

***We have restated our financial statements for several prior periods, which may affect investor confidence, our stock price, our ability to raise capital in the future, our results of operations and financial condition, our ability to complete the proposed business combination with Microvast, and which may result in stockholder litigation.***

This Amendment includes restated financial statements for several prior periods. Such restatement may have the effect of eroding investor confidence in the Company and our financial reporting and accounting practices and processes, and may negatively impact the trading price of our securities, could have a material adverse effect on our business, results of operations and financial condition, may make it more difficult for us to raise capital on acceptable terms, if at all, and may adversely impact our ability to complete our proposed business combination with Microvast. The restatement and related material weaknesses in our internal control over financial reporting may also result in stockholder litigation.

#### **Risks Relating to Searching for and Consummating a Business Combination**

***We have no operating history and, accordingly, you will not have any basis on which to evaluate our ability to achieve our business objective.***

We have no operating results to date. Therefore, our ability to commence operations is dependent upon obtaining financing through the public offering of our securities. Since we do not have an operating history, you will have no basis upon which to evaluate our ability to achieve our business objective, which is to acquire an operating business. We will not generate any revenues until, at the earliest, after the consummation of a business combination.

***If we are unable to consummate a business combination, our public stockholders may be forced to wait until after July 31, 2021 before receiving distributions from the trust account.***

Our public stockholders will be entitled to receive funds from the trust account only upon the earlier to occur of: (i) the consummation of our initial business combination; (ii) the redemption of our public shares if we are unable to consummate a business combination by July 31, 2021, subject to applicable law; (iii) the redemption of any public shares properly tendered in connection with a stockholder vote to amend our amended and restated certificate of incorporation to modify the substance or timing of our obligation to redeem 100% of our public shares if we do not complete our initial business combination by July 31, 2021. In addition, if our plan to redeem our public shares if we are unable to consummate an initial business combination by July 31, 2021 is not consummated for any reason, Delaware law may require that we submit a plan of dissolution to our then-existing stockholders for approval prior to the distribution of the proceeds held in our trust account. In that case, public stockholders may be forced to wait beyond July 31, 2021 before they receive funds from our trust account. In no other circumstances will a public stockholder have any right or interest of any kind in the trust account. Accordingly, to liquidate your investment, you may be forced to sell your public shares or warrants, potentially at a loss.

***The requirement that we complete an initial business combination by July 31, 2021 (or such later date as may be approved by our stockholders) may give potential target businesses leverage over us in negotiating a business combination.***

We have until July 31, 2021 (which was extended from April 30, 2021 by vote of our stockholders), or such later date as may be approved by our stockholders, to complete an initial business combination. Any potential target business with which we enter into negotiations concerning a business combination will be aware of this requirement. Consequently, such target business may obtain leverage over us in negotiating a business combination, knowing that if we do not complete a business combination with that particular target business, we may be unable to complete a business combination with any other target business. This risk will increase as we get closer to the time limit referenced above.

***Our public stockholders may not be afforded an opportunity to vote on our proposed business combination.***

We will either (1) seek stockholder approval of our initial business combination at a meeting called for such purpose at which public stockholders may seek to convert their shares, regardless of whether they vote for or against the proposed business combination or don't vote at all, into their pro rata share of the aggregate amount then on deposit in the trust account (net of taxes payable), or (2) provide our public stockholders with the opportunity to sell their shares to us by means of a tender offer (and thereby avoid the need for a stockholder vote) for an amount equal to their pro rata share of the aggregate amount then on deposit in the trust account (net of taxes payable). Accordingly, it is possible that we will consummate our initial business combination even if holders of a majority of our public shares do not approve of the business combination we consummate. The decision as to whether we will seek stockholder approval of a proposed business combination or will allow stockholders to sell their shares to us in a tender offer will be made by us, solely in our discretion, and will be based on a variety of factors such as the timing of the transaction and whether the terms of the transaction would otherwise require us to seek stockholder approval. For instance, Nasdaq rules currently allow us to engage in a tender offer in lieu of a stockholder meeting but would still require us to obtain stockholder approval if we were seeking to issue more than 20% of our outstanding shares to a target business as consideration in any business combination. Therefore, if we were structuring a business combination that required us to issue more than 20% of our outstanding shares, we would seek stockholder approval of such business combination instead of conducting a tender offer.

***Our Sponsor controls a substantial interest in us and thus may influence certain actions requiring a stockholder vote.***

Our Sponsor, Tuscan Holdings Acquisition LLC, owns approximately 21% of our issued and outstanding shares of common stock. Our Sponsor, officers, directors, initial stockholders or their affiliates could determine in the future to make purchases of our securities in the open market or in private transactions, to the extent permitted by law, in order to influence the vote or magnitude of the number of shareholders seeking to tender their shares to us. In connection with any vote for a proposed business combination, our initial stockholders, as well as all of our officers and directors, have agreed to vote the shares of common stock owned by them immediately before our IPO as well as any shares of common stock acquired in the IPO or in the aftermarket in favor of such proposed business combination.

Our board of directors is divided into three classes, each of which will generally serve for a term of three years with only one class of directors being elected in each year. As a consequence of our "staggered" board of directors, only a minority of the board of directors will be considered for election and our Sponsor, because of its ownership position, will have considerable influence regarding the outcome. Accordingly, our initial stockholders will continue to exert control at least until the consummation of a business combination.

***You may be unable to ascertain the merits or risks of any particular target business' operations.***

We may pursue an acquisition opportunity in any business industry or sector. Accordingly, there is no current basis for you to evaluate the possible merits or risks of the particular industry in which we may ultimately operate or the target business which we may ultimately acquire. To the extent we complete a business combination with a financially unstable company or an entity in its development stage, we may be affected by numerous risks inherent in the business operations of those entities. If we complete a business combination with an entity in an industry characterized by a high level of risk, we may be affected by the currently unascertainable risks of that industry. Although our management will endeavor to evaluate the risks inherent in a particular industry or target business, we cannot assure you that we will properly ascertain or assess all of the significant risk factors. We also cannot assure you that an investment in our units will not ultimately prove to be less favorable to investors than a direct investment, if an opportunity were available, in a target business.

***The ability of our stockholders to exercise their conversion rights or sell their shares to us in a tender offer may not allow us to effectuate the most desirable business combination or optimize our capital structure.***

If our business combination requires us to use substantially all of our cash to pay the purchase price, because we will not know how many stockholders may exercise conversion rights or seek to sell their shares to us in a tender offer, we may either need to reserve part of the trust account for possible payment upon such conversion, or we may need to arrange third party financing to help fund our business combination. In the event that the acquisition involves the issuance of our stock as consideration, we may be required to issue a higher percentage of our stock to make up for a shortfall in funds. Raising additional funds to cover any shortfall may involve dilutive equity financing or incurring indebtedness at higher than desirable levels. This may limit our ability to effectuate the most attractive business combination available to us.

***In connection with any vote to approve a business combination, we will offer each public stockholder the option to vote in favor of a proposed business combination and still seek conversion of his, her or its shares.***

In connection with any vote to approve a business combination, we will offer each public stockholder (but not our Sponsor, officers or directors) the right to have his, her or its shares of common stock converted to cash (subject to the limitations described elsewhere in this Form 10-K) regardless of whether such stockholder votes for or against such proposed business combination or does not vote at all. The ability to seek conversion while voting in favor of our proposed business combination may make it more likely that we will consummate a business combination.

***In connection with any stockholder meeting called to approve a proposed initial business combination or an amendment to our charter to extend the date by which we must complete an initial business combination, we may require stockholders who wish to convert their shares in connection with such proposal to comply with specific requirements for conversion that may make it more difficult for them to exercise their conversion rights prior to the deadline for exercising their rights.***

In connection with any stockholder meeting called to approve a proposed initial business combination or an amendment to our charter to extend the date by which we must complete an initial business combination, each public stockholder will have the right, regardless of whether he is voting for or against such proposal or does not vote at all, to demand that we convert his shares into a pro rata share of the trust account as of two business days prior to the consummation thereof. We may require public stockholders who wish to convert their shares to either (i) tender their certificates to our transfer agent or (ii) deliver their shares to the transfer agent electronically using the Depository Trust Company's DWAC (Deposit/Withdrawal At Custodian) System, at the holders' option, in each case prior to a date set forth in the tender offer documents or proxy materials sent in connection with the proposal. In order to obtain a physical stock certificate, a stockholder's broker and/or clearing broker, DTC and our transfer agent will need to act to facilitate this request. It is our understanding that stockholders should generally allot at least two weeks to obtain physical certificates from the transfer agent. However, because we do not have any control over this process or over the brokers or DTC, it may take significantly longer than two weeks to obtain a physical stock certificate. While we have been advised that it takes a short time to deliver shares through the DWAC System, we cannot assure you of this fact. Accordingly, if it takes longer than we anticipate for stockholders to deliver their shares, stockholders who wish to convert may be unable to meet the deadline for exercising their conversion rights and thus may be unable to convert their shares.

***If, in connection with any stockholder meeting called to approve a proposed business combination, we require public stockholders who wish to convert their shares to comply with specific requirements for conversion, such converting stockholders may be unable to sell their securities when they wish to in the event that the proposed business combination is not approved.***

If we require public stockholders who wish to convert their shares to comply with specific requirements for conversion and such proposed business combination is not consummated, we will promptly return such certificates to the tendering public stockholders. Accordingly, investors who attempted to convert their shares in such a circumstance will be unable to sell their securities after the failed acquisition until we have returned their securities to them. The market price for our shares of common stock may decline during this time and you may not be able to sell your securities when you wish to, even while other stockholders that did not seek conversion may be able to sell their securities.



***Because of our structure, other companies may have a competitive advantage and we may not be able to consummate an attractive business combination.***

We expect to encounter intense competition from entities other than blank check companies having a business objective similar to ours, including venture capital funds, leveraged buyout funds and operating businesses competing for acquisitions. Many of these entities are well established and have extensive experience in identifying and effecting business combinations directly or through affiliates. Many of these competitors possess greater technical, human and other resources than we do and our financial resources will be relatively limited when contrasted with those of many of these competitors. While we believe that there are numerous potential target businesses that we could acquire with the net proceeds of our IPO, our ability to compete in acquiring certain sizable target businesses will be limited by our available financial resources. This inherent competitive limitation gives others an advantage in pursuing the acquisition of certain target businesses. Furthermore, seeking stockholder approval or engaging in a tender offer in connection with any proposed business combination may delay the consummation of such a transaction. Additionally, our outstanding warrants, and the future dilution they potentially represent, may not be viewed favorably by certain target businesses. Any of the foregoing may place us at a competitive disadvantage in successfully negotiating a business combination.

***Because we must furnish our stockholders with target business financial statements prepared in accordance with U.S. generally accepted accounting principles or international financial reporting standards, we will not be able to complete a business combination with prospective target businesses unless their financial statements are prepared in accordance with U.S. generally accepted accounting principles or international financial reporting standards.***

The federal proxy rules require that a proxy statement with respect to a vote on a business combination meeting certain financial significance tests include historical and/or pro forma financial statement disclosure in periodic reports. These financial statements may be required to be prepared in accordance with, or be reconciled to, accounting principles generally accepted in the United States of America, or GAAP, or international financial reporting standards, or IFRS, depending on the circumstances, and the historical financial statements may be required to be audited in accordance with the standards of the Public Company Accounting Oversight Board (United States), or PCAOB. We will include the same financial statement disclosure in connection with any tender offer documents we use, whether or not they are required under the tender offer rules. Additionally, to the extent we furnish our stockholders with financial statements prepared in accordance with IFRS, such financial statements will need to be audited in accordance with U.S. GAAP at the time of the consummation of the business combination. These financial statement requirements may limit the pool of potential target businesses we may acquire.

***A provision of our warrant agreement may make it more difficult for us to consummate an initial business combination.***

If:

- we issue additional shares of common stock or equity-linked securities for capital raising purposes in connection with the closing of our initial business combination at an issue price or effective issue price of less than \$9.50 per share of common stock,
- the aggregate gross proceeds from such issuances represent more than 60% of the total equity proceeds, and interest thereon, available for the funding of our initial business combination on the date of the consummation of our initial business combination (net of redemptions), and
- the volume weighted average trading price of our common stock during the 20 trading day period starting on the trading day prior to the day on which we consummate our initial business combination (such price, the "Market Value") is below \$9.50 per share,

then the exercise price of the warrants will be adjusted to be equal to 115% of the higher of the Market Value and the price at which we issue the additional shares of common stock or equity-linked securities. This may make it more difficult for us to consummate an initial business combination with a target business.

***We may issue shares of our capital stock or debt securities to complete a business combination, which would reduce the equity interest of our stockholders and likely cause a change in control of our ownership.***

Our amended and restated certificate of incorporation authorizes the issuance of up to 65,000,000 shares of common stock, par value \$0.0001 per share, and 1,000,000 shares of preferred stock, par value \$0.0001 per share. We may issue a substantial number of additional shares of common stock or shares of preferred stock, or a combination of common stock and preferred stock, to complete a business combination. The issuance of additional shares of common stock will not reduce the per-share conversion amount in the trust account. The issuance of additional shares of common stock or preferred stock:

- may significantly reduce the equity interest of investors in our common stock;
- may subordinate the rights of holders of shares of common stock if we issue shares of preferred stock with rights senior to those afforded to our shares of common stock;
- may cause a change in control if a substantial number of shares of common stock are 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 officers and directors; and
- may adversely affect prevailing market prices for our shares of common stock.

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

- default and foreclosure on our assets if our operating revenues after a 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; and
- 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.

If we incur indebtedness, our lenders will not have a claim on the cash in the trust account and such indebtedness will not decrease the per-share conversion amount in the trust account.

***We may be unable to obtain additional financing, if required, to complete a business combination or to fund the operations and growth of the target business, which could compel us to restructure or abandon a particular business combination.***

Although we believe that the net proceeds of our IPO, together with interest earned on the funds held in the trust account available to us, will be sufficient to allow us to consummate a business combination, because we have not yet identified any prospective target business, we cannot ascertain the capital requirements for any particular transaction. If the net proceeds of our IPO prove to be insufficient, either because of the size of the business combination, the depletion of the available net proceeds in search of a target business, or the obligation to convert into cash a significant number of shares from dissenting stockholders, we will be required to seek additional financing. Such financing may not be available on acceptable terms, if at all. To the extent that additional financing proves to be unavailable when needed to consummate a particular business combination, we would be compelled to either restructure the transaction or abandon that particular business combination and seek an alternative target business candidate. In addition, if we consummate a business combination, we may require additional financing to fund the operations or growth of the target business. The failure to secure additional financing could have a material adverse effect on the continued development or growth of the target business. None of our Sponsor, officers, directors or stockholders is required to provide any financing to us in connection with or after a business combination.

***We may not obtain a fairness opinion with respect to the target business that we seek to acquire and therefore you may be relying solely on the judgment of our board of directors in approving a proposed business combination.***

We will only be required to obtain a fairness opinion with respect to the target business that we seek to acquire if it is an entity that is affiliated with any of our Sponsor, initial stockholders, officers, directors or their affiliates. In all other instances, we will have no obligation to obtain an opinion. Accordingly, investors will be relying solely on the judgment of our board of directors in approving a proposed business combination.

***Resources could be spent researching acquisitions that are not consummated, which could materially adversely affect subsequent attempts to locate and acquire or merge with another business.***

It is anticipated that the investigation of each specific target business and the negotiation, drafting, and execution of relevant agreements, disclosure documents, and other instruments will require substantial management time and attention and substantial costs for accountants, attorneys and others. If a decision is made not to complete a specific business combination, the costs incurred up to that point for the proposed transaction likely would not be recoverable. Furthermore, even if an agreement is reached relating to a specific target business, we may fail to consummate the business combination for any number of reasons including those beyond our control. Any such event will result in a loss to us of the related costs incurred which could materially adversely affect subsequent attempts to locate and acquire or merge with another business.

***We may only be able to complete one business combination with the proceeds from our IPO, which will cause us to be solely dependent on a single business which may have a limited number of products or services.***

It is likely we will consummate a business combination with a single target business, although we have the ability to simultaneously acquire several target businesses. By consummating a business combination with only a single entity, our lack of diversification may subject us to numerous economic, competitive and regulatory developments. Further, we would not be able to diversify our operations or benefit from the possible spreading of risks or offsetting of losses, unlike other entities which may have the resources to complete several business combinations in different industries or different areas of a single industry. Accordingly, the prospects for our success may be:

- solely dependent upon the performance of a single business, or
- dependent upon the development or market acceptance of a single or limited number of products, processes or services.

This lack of diversification may subject us to numerous economic, competitive and regulatory developments, any or all of which may have a substantial adverse impact upon the particular industry in which we may operate subsequent to a business combination.

Alternatively, if we determine to simultaneously acquire several businesses and such businesses are owned by different sellers, we will need for each of such sellers to agree that our purchase of its business is contingent on the simultaneous closings of the other business combinations, which may make it more difficult for us, and delay our ability, to complete the business combination. With multiple business combinations, we could also face additional risks, including additional burdens and costs with respect to possible multiple negotiations and due diligence investigations (if there are multiple sellers) and the additional risks associated with the subsequent assimilation of the operations and services or products of the acquired companies in a single operating business. If we are unable to adequately address these risks, it could negatively impact our profitability and results of operations.

***Our search for an initial business combination, and any target business with which we ultimately consummate an initial business combination, may be materially adversely affected by the recent coronavirus (COVID-19) outbreak and other events, and the status of debt and equity markets.***

The COVID-19 pandemic has adversely affected, and other events (such as terrorist attacks, natural disasters or a significant outbreak of other infectious diseases) could adversely affect, the economies and financial markets worldwide, and the business of any potential target business with which we consummate an initial business combination could be materially and adversely affected. Furthermore, we may be unable to complete an initial business combination if concerns relating to COVID-19 continue to restrict travel, limit the ability to have meetings with potential investors or the target company's personnel, vendors and services providers are unavailable to negotiate and consummate a transaction in a timely manner. The extent to which COVID-19 impacts our search for an initial business combination will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and the actions to contain COVID-19 or treat its impact, among others. If the disruptions posed by COVID-19 or other events (such as terrorist attacks, natural disasters or a significant outbreak of other infectious diseases) continue for an extensive period of time, our ability to consummate an initial business combination, or the operations of a target business with which we ultimately consummate an initial business combination, may be materially adversely affected.

In addition, our ability to consummate a transaction may be dependent on the ability to raise equity and debt financing which may be impacted by COVID-19 and other events (such as terrorist attacks, natural disasters or a significant outbreak of other infectious diseases), including as a result of increased market volatility, decreased market liquidity in third-party financing being unavailable on terms acceptable to us or at all.

***As the number of special purpose acquisition companies evaluating targets increases, attractive targets may become scarcer and there may be more competition for attractive targets. This could increase the cost of our initial business combination and could even result in our inability to find a target or to consummate an initial business combination.***

In recent years and especially since the fourth quarter of 2020, the number of special purpose acquisition companies that have been formed has increased substantially. Many potential targets for special purpose acquisition companies have already entered into an initial business combination, and there are still many special purpose acquisition companies seeking targets for their initial business combination, as well as many such companies currently in registration. As a result, at times, fewer attractive targets may be available, and it may require more time, more effort and more resources to identify a suitable target and to consummate an initial business combination.

In addition, because there are more special purpose acquisition companies seeking to enter into an initial business combination with available targets, the competition for available targets with attractive fundamentals or business models may increase, which could cause targets companies to demand improved financial terms. Attractive deals could also become scarcer for other reasons, such as economic or industry sector downturns, geopolitical tensions, or increases in the cost of additional capital needed to close business combinations or operate targets post-business combination. This could increase the cost of, delay or otherwise complicate or frustrate our ability to find and consummate an initial business combination, and may result in our inability to consummate an initial business combination on terms favorable to our investors altogether.

***Changes in the market for directors and officers liability insurance could make it more difficult and more expensive for us to negotiate and complete an initial business combination.***

In recent months, the market for directors and officers liability insurance for special purpose acquisition companies has changed. The premiums charged for such policies have generally increased and the terms of such policies have generally become less favorable. There can be no assurance that these trends will not continue.

The increased cost and decreased availability of directors and officers liability insurance could make it more difficult and more expensive for us to negotiate an initial business combination. In order to obtain directors and officers liability insurance or modify its coverage as a result of becoming a public company, the post-business combination entity might need to incur greater expense, accept less favorable terms or both. However, any failure to obtain adequate directors and officers liability insurance could have an adverse impact on the post-business combination's ability to attract and retain qualified officers and directors.

In addition, even after we were to complete an initial business combination, our directors and officers could still be subject to potential liability from claims arising from conduct alleged to have occurred prior to the initial business combination. As a result, in order to protect our directors and officers, the post-business combination entity may need to purchase additional insurance with respect to any such claims (“run-off insurance”). The need for run-off insurance would be an added expense for the post-business combination entity, and could interfere with or frustrate our ability to consummate an initial business combination on terms favorable to our investors.

#### **Risks Relating to the Post-Business Combination Company**

***Our ability to successfully effect a business combination and to be successful thereafter will be totally dependent upon the efforts of our key personnel, some of whom may join us following a business combination. While we intend to closely scrutinize any individuals we engage after a business combination, we cannot assure you that our assessment of these individuals will prove to be correct.***

Our ability to successfully effect a business combination is dependent upon the efforts of our key personnel. We believe that our success depends on the continued service of our key personnel, at least until we have consummated our initial business combination. We cannot assure you that any of our key personnel will remain with us for the immediate or foreseeable future. In addition, none of our officers are required to commit any specified amount of time to our affairs and, accordingly, our officers will have conflicts of interest in allocating management time among various business activities, including identifying potential business combinations and monitoring the related due diligence. We do not have employment agreements with, or key-man insurance on the life of, any of our officers. The unexpected loss of the services of our key personnel could have a detrimental effect on us.

The role of our key personnel after a business combination, however, cannot presently be ascertained. Although some of our key personnel may serve in senior management or advisory positions following a business combination, it is likely that most, if not all, of the management of the target business will remain in place. While we intend to closely scrutinize any individuals we engage after a business combination, we cannot assure you that our assessment of these individuals will prove to be correct. These individuals may be unfamiliar with the requirements of operating a public company which could cause us to have to expend time and resources helping them become familiar with such requirements. This could be expensive and time-consuming and could lead to various regulatory issues which may adversely affect our operations.

***Our officers and directors may not have significant experience or knowledge regarding the jurisdiction or industry of the target business we may seek to acquire.***

We may consummate a business combination with a target business in any geographic location or industry we choose, although we intend to focus on companies or assets ancillary to the cannabis industry. We cannot assure you that our officers and directors will have enough experience or have sufficient knowledge relating to the jurisdiction of the target or its industry to make an informed decision regarding a business combination.

***If we do not conduct an adequate due diligence investigation of a target business, we may be required to subsequently take write-downs or write-offs, restructuring, and impairment or other charges that could have a significant negative effect on our financial condition, results of operations and our stock price, which could cause you to lose some or all of your investment.***

We must conduct a due diligence investigation of the target businesses we intend to acquire. Intensive due diligence is time consuming and expensive due to the operations, accounting, finance and legal professionals who must be involved in the due diligence process. Even if we conduct extensive due diligence on a target business, this diligence may not reveal all material issues that may affect a particular target business, and factors outside the control of the target business and outside of our control may later arise. If our diligence fails to identify issues specific to a target business, industry or the environment in which the target business operates, we may be forced to later write-down or write-off assets, restructure our operations, or incur impairment or other charges that could result in our reporting losses. Even though these charges may be non-cash items and not have an immediate impact on our liquidity, the fact that we report charges of this nature could contribute to negative market perceptions about us or our common stock. In addition, charges of this nature may cause us to violate net worth or other covenants to which we may be subject as a result of assuming pre-existing debt held by a target business or by virtue of our obtaining post-combination debt financing.

***If we effect a business combination with a company located in a foreign jurisdiction, we would be subject to a variety of additional risks that may negatively impact our operations.***

If we are successful in consummating a business combination with a target business in a foreign country, we would be subject to any special considerations or risks associated with companies operating in the target business' home jurisdiction, including any of the following:

- rules and regulations or currency conversion or corporate withholding taxes on individuals;
- tariffs and trade barriers;
- regulations related to customs and import/export matters;
- longer payment cycles;
- tax issues, such as tax law changes and variations in tax laws as compared to the United States;
- currency fluctuations and exchange controls;
- challenges in collecting accounts receivable;
- cultural and language differences;
- employment regulations;
- crime, strikes, riots, civil disturbances, terrorist attacks and wars; and
- deterioration of political relations with the United States.

We cannot assure you that we would be able to adequately address these additional risks. If we were unable to do so, our operations might suffer.

***If we effect a business combination with a company located outside of the United States, the laws applicable to such company will likely govern all of our material agreements and we may not be able to enforce our legal rights.***

If we effect a business combination with a company located outside of the United States, the laws of the country in which such company operates will govern almost all of the material agreements relating to its operations. We cannot assure you that the target business will be able to enforce any of its material agreements or that remedies will be available in this new jurisdiction. The system of laws and the enforcement of existing laws in such jurisdiction may not be as certain in implementation and interpretation as in the United States. The inability to enforce or obtain a remedy under any of our future agreements could result in a significant loss of business, business opportunities or capital. Additionally, if we acquire a company located outside of the United States, it is likely that substantially all of our assets would be located outside of the United States and some of our officers and directors might reside outside of the United States. As a result, it may not be possible for investors in the United States to enforce their legal rights, to effect service of process upon our directors or officers or to enforce judgments of United States courts predicated upon civil liabilities and criminal penalties of our directors and officers under federal securities laws.

***There may be tax consequences to our business combinations that may adversely affect us.***

While we expect to undertake any merger or acquisition so as to minimize taxes both to the acquired business and/or asset and us, such business combination might not meet the statutory requirements of a tax-free reorganization, or the parties might not obtain the intended tax-free treatment upon a transfer of shares or assets. A non-qualifying reorganization could result in the imposition of substantial taxes.

## Risks Relating to Potential Conflicts of Interest of our Management, Directors, and Others

***Our officers and directors will allocate their time to other businesses thereby causing conflicts of interest in their determination as to how much time to devote to our affairs. This could have a negative impact on our ability to consummate a business combination.***

Our officers and directors do not commit their full time to our affairs. We expect each of our officers and directors to devote such amount of time as they reasonably believe is necessary to our business. We do not intend to have any full time employees prior to the consummation of our initial business combination. The foregoing could have a negative impact on our ability to consummate our initial business combination.

***Our officers and directors may have a conflict of interest in determining whether a particular target business is appropriate for a business combination.***

Our Sponsor has waived its right to convert its founders' shares or any other shares purchased in our IPO or thereafter, or to receive distributions from the trust account with respect to its founders' shares upon our liquidation if we are unable to consummate a business combination. Accordingly, the shares acquired prior to our IPO, as well as the private securities and any warrants purchased by our officers or directors in the aftermarket, will be worthless if we do not consummate a business combination. The personal and financial interests of our directors and officers may influence their motivation in timely identifying and selecting a target business and completing a business combination. Consequently, our directors' and officers' discretion in identifying and selecting a suitable target business may result in a conflict of interest when determining whether the terms, conditions and timing of a particular business combination are appropriate and in our stockholders' best interest.

***Our officers and directors or their affiliates have pre-existing fiduciary and contractual obligations and may in the future become affiliated with other entities engaged in business activities similar to those intended to be conducted by us. Accordingly, they may have conflicts of interest in determining to which entity a particular business opportunity should be presented.***

Our officers and directors or their affiliates have pre-existing fiduciary and contractual obligations to other companies. Accordingly, they may participate in transactions and have obligations that may be in conflict or competition with our consummation of our initial business combination. As a result, a potential target business may be presented by our management team to another entity prior to its presentation to us and we may not be afforded the opportunity to engage in a transaction with such target business. Additionally, our officers and directors may in the future become affiliated with entities that are engaged in a similar business, including another blank check company that may have acquisition objectives that are similar to ours. Accordingly, they may have conflicts of interest in determining to which entity a particular business opportunity should be presented. These conflicts may not be resolved in our favor and a potential target business may be presented to other entities prior to its presentation to us, subject to our officers' and directors' fiduciary duties under Delaware law.

***Our key personnel may negotiate employment or consulting agreements with a target business in connection with a particular business combination. These agreements may provide for them to receive compensation following a business combination and as a result, may cause them to have conflicts of interest in determining whether a particular business combination is the most advantageous.***

Our key personnel will be able to remain with the company after the consummation of a business combination only if they are able to negotiate employment or consulting agreements or other appropriate arrangements in connection with the business combination. Such negotiations would take place simultaneously with the negotiation of the business combination and could provide for such individuals to receive compensation in the form of cash payments and/or our securities for services they would render to the company after the consummation of the business combination. The personal and financial interests of such individuals may influence their motivation in identifying and selecting a target business.

***EarlyBirdCapital may have a conflict of interest in rendering services to us in connection with our initial business combination.***

We have engaged EarlyBirdCapital to assist us in connection with our initial business combination. We will pay EarlyBirdCapital a cash fee for such services in an aggregate amount equal to up to 3.5% of the total gross proceeds raised in our IPO only if we consummate our initial business combination. The representative shares will also be worthless if we do not consummate an initial business combination. These financial interests may result in EarlyBirdCapital having a conflict of interest when providing the services to us in connection with an initial business combination.

#### **Risks Relating to our Securities**

***If we do not file and maintain a current and effective prospectus relating to the common stock issuable upon exercise of the warrants, holders will only be able to exercise such warrants on a “cashless basis.”***

If we do not file and maintain a current and effective prospectus relating to the common stock issuable upon exercise of the warrants at the time that holders wish to exercise such warrants, they will only be able to exercise them on a “cashless basis” provided that an exemption from registration is available. As a result, the number of shares of common stock that holders will receive upon exercise of the warrants will be fewer than it would have been had such holder exercised his warrant for cash. Further, if an exemption from registration is not available, holders would not be able to exercise on a cashless basis and would only be able to exercise their warrants for cash if a current and effective prospectus relating to the common stock issuable upon exercise of the warrants is available. Under the terms of the warrant agreement, we have agreed to use our best efforts to meet these conditions and to file and maintain a current and effective prospectus relating to the common stock issuable upon exercise of the warrants until the expiration of the warrants. However, we cannot assure you that we will be able to do so. If we are unable to do so, the potential “upside” of the holder’s investment in our company may be reduced or the warrants may expire worthless.

***An investor will only be able to exercise a warrant if the issuance of shares of common stock upon such exercise has been registered or qualified or is deemed exempt under the securities laws of the state of residence of the holder of the warrants.***

No warrants will be exercisable and we will not be obligated to issue shares of common stock unless the shares of common stock issuable upon such exercise has been registered or qualified or deemed to be exempt under the securities laws of the state of residence of the holder of the warrants. If the shares of common stock issuable upon exercise of the warrants are not qualified or exempt from qualification in the jurisdictions in which the holders of the warrants reside, the warrants may be deprived of any value, the market for the warrants may be limited and they may expire worthless if they cannot be sold.

***The private warrants included in the Private Units may be exercised at a time when the public warrants may not be exercised.***

Once the private warrants included in the Private Units become exercisable, such warrants may immediately be exercised on a cashless basis, at the holder’s option, so long as they are held by the initial purchasers or their permitted transferees. The public warrants, however, will only be exercisable on a cashless basis at the option of the holders if we fail to register the shares issuable upon exercise of the warrants under the Securities Act within 90 days following the closing of our initial business combination. Accordingly, it is possible that the holders of the private warrants could exercise such warrants at a time when the holders of public warrants could not.

***We may amend the terms of the warrants in a manner that may be adverse to holders with the approval by the holders of at least 50% of the then outstanding public warrants.***

Our warrants were issued in registered form under a warrant agreement between Continental Stock Transfer & Trust Company, as warrant agent, and us. The warrant agreement provides that the terms of the warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision. The warrant agreement requires the approval by the holders of at least 50% of the then outstanding public warrants in order to make any change that adversely affects the interests of the registered holders.



***If third parties bring claims against us, the proceeds held in trust could be reduced and the per-share redemption price received by stockholders may be less than \$10.00.***

Our placing of funds in trust may not protect those funds from third party claims against us. Although we will seek to have all vendors and service providers we engage and prospective target businesses we negotiate with execute agreements with us waiving any right, title, interest or claim of any kind in or to any monies held in the trust account for the benefit of our public stockholders, they may not execute such agreements. Furthermore, even if such entities execute such agreements with us, they may seek recourse against the trust account. A court may not uphold the validity of such agreements. Accordingly, the proceeds held in trust could be subject to claims which could take priority over those of our public stockholders. If we are unable to complete a business combination and distribute the proceeds held in trust to our public stockholders, our Sponsor has agreed (subject to certain exceptions described elsewhere in this Form 10-K) that it will be liable to ensure that the proceeds in the trust account are not reduced below \$10.00 per share by the claims of target businesses or claims of vendors or other entities that are owed money by us for services rendered or contracted for or products sold to us. However, we have not asked our Sponsor to reserve for such indemnification obligations, nor have we independently verified whether our Sponsor has sufficient funds to satisfy its indemnity obligations and believe that our Sponsor's only assets are securities of our company. Therefore, we believe it is unlikely that our Sponsor will be able to satisfy its indemnification obligations if it is required to do so. As a result, the per-share distribution from the trust account may be less than \$10.00, plus interest, due to such claims.

Additionally, if we are forced to file a bankruptcy case or an involuntary bankruptcy case is filed against us which is not dismissed, the proceeds held in the trust account could be subject to applicable bankruptcy law, and may be included in our bankruptcy estate and subject to the claims of third parties with priority over the claims of our stockholders. To the extent any bankruptcy claims deplete the trust account, we may not be able to return to our public stockholders at least \$10.00.

***Our stockholders may be held liable for claims by third parties against us to the extent of distributions received by them.***

Our amended and restated certificate of incorporation provides that we will continue in existence only until July 31, 2021 (which was extended from April 30, 2021 by vote of our stockholders), unless such date is further extended by our stockholders. If we have not completed a business combination by such date, we will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem 100% of the outstanding public shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the trust account, including any interest not previously released to us but net of franchise and income taxes payable, divided by the number of then outstanding public shares, which redemption will completely extinguish public stockholders' rights as stockholders (including the right to receive further liquidation distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of our remaining stockholders and our board of directors, dissolve and liquidate, subject (in the case of (ii) and (iii) above) to our obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law. We cannot assure you that we will properly assess all claims that may be potentially brought against us. As such, our stockholders could potentially be liable for any claims to the extent of distributions received by them (but no more) and any liability of our stockholders may extend well beyond the third anniversary of the date of distribution. Accordingly, we cannot assure you that third parties will not seek to recover from our stockholders amounts owed to them by us.

If we are forced to file a bankruptcy case or an involuntary bankruptcy case is filed against us which is not dismissed, any distributions received by stockholders could be viewed under applicable debtor/creditor and/or bankruptcy laws as either a "preferential transfer" or a "fraudulent conveyance." As a result, a bankruptcy court could seek to recover all amounts received by our stockholders. Furthermore, because we intend to distribute the proceeds held in the trust account to our public stockholders promptly after expiration of the time we have to complete an initial business combination, this may be viewed or interpreted as giving preference to our public stockholders over any potential creditors with respect to access to or distributions from our assets. Furthermore, our board may be viewed as having breached their fiduciary duties to our creditors and/or may have acted in bad faith, and thereby exposing itself and our company to claims of punitive damages, by paying public stockholders from the trust account prior to addressing the claims of creditors. We cannot assure you that claims will not be brought against us for these reasons.

***Our directors may decide not to enforce our Sponsor's indemnification obligations, resulting in a reduction in the amount of funds in the trust account available for distribution to our public stockholders.***

In the event that the proceeds in the trust account are reduced below \$10.00 per public share and our Sponsor asserts that it is unable to satisfy its obligations or that it has no indemnification obligations related to a particular claim, our independent directors would determine whether to take legal action against our Sponsor to enforce such indemnification obligations. It is possible that our independent directors in exercising their business judgment may choose not to do so in any particular instance. If our independent directors choose not to enforce these indemnification obligations, the amount of funds in the trust account available for distribution to our public stockholders may be reduced below \$10.00 per share.

***Nasdaq may delist our securities from quotation on its exchange which could limit investors' ability to make transactions in our securities and subject us to additional trading restrictions.***

Our securities are listed on Nasdaq, a national securities exchange. Although we expect to meet on a pro forma basis Nasdaq's minimum initial listing standards, which generally only requires that we meet certain requirements relating to stockholders' equity, market capitalization, aggregate market value of publicly held shares and distribution requirements, we cannot assure you that our securities will continue to be listed on Nasdaq in the future prior to an initial business combination. Further, we cannot assure you that we will continue to meet Nasdaq's corporate governance requirements. On May 28, 2021, we received a notice from the Listing Qualifications Department of The Nasdaq Stock Market stating that because we failed to timely file our Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 ("Form 10-Q"), we were not in compliance with Nasdaq Listing Rule 5250(c)(1). The Company has until July 26, 2021 to submit a plan to regain compliance with the listing rule or to file the Form 10-Q. While we intend to file the Form 10-Q prior to such date and regain compliance with the listing rule, there can be no assurance that we will be able to do so.

Additionally, in connection with our initial business combination, it is likely that Nasdaq will require us to file a new initial listing application and meet its initial listing requirements as opposed to its more lenient continued listing requirements. We cannot assure you that we will be able to meet those initial listing requirements at that time. Nasdaq will also have discretionary authority to not approve our listing if Nasdaq determines that the listing of the company to be acquired is against public policy at that time.

If Nasdaq delists our securities from trading on its exchange, or we are not listed in connection with our initial business combination, we could face significant material adverse consequences, including:

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

The National Securities Markets Improvement Act of 1996, which is a federal statute, prevents or preempts the states from regulating the sale of certain securities, which are referred to as "covered securities." Because our units, common stock and warrants are listed on Nasdaq, our units, common stock and warrants will be covered securities. Although the states are preempted from regulating the sale of our securities, the federal statute does allow the states to investigate companies if there is a suspicion of fraud, and, if there is a finding of fraudulent activity, then the states can regulate or bar the sale of covered securities in a particular case. While we are not aware of a state having used these powers to prohibit or restrict the sale of securities issued by blank check companies, certain state securities regulators view blank check companies unfavorably and might use these powers, or threaten to use these powers, to hinder the sale of securities of blank check companies in their states. Further, if we were no longer listed on Nasdaq, our securities would not be covered securities and we would be subject to regulation in each state in which we offer our securities.

***Our outstanding warrants may have an adverse effect on the market price of our common stock and make it more difficult to effect a business combination.***

We issued warrants to purchase 27,600,000 shares of common stock as part of the units offered in our IPO and private warrants to purchase 687,000 shares of common stock as part of the Private Units. We may also issue other units and warrants to our Sponsor, initial stockholders, officers, directors or their affiliates in payment of working capital loans made to us. To the extent we issue shares of common stock to effect a business combination, the potential for the issuance of a substantial number of additional shares upon exercise of these warrants could make us a less attractive acquisition vehicle in the eyes of a target business. Such securities, when exercised, will increase the number of issued and outstanding shares of common stock and reduce the value of the shares issued to complete the business combination. Accordingly, our warrants may make it more difficult to effectuate a business combination or increase the cost of acquiring the target business. Additionally, the sale, or even the possibility of sale, of the shares underlying the warrants could have an adverse effect on the market price for our securities or on our ability to obtain future financing. If and to the extent these warrants are exercised, you may experience dilution to your holdings.

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

We have the ability to redeem outstanding warrants (excluding the private warrants included in the Private Units and any warrants underlying additional units issued to our Sponsor, officers or directors in payment of working capital loans made to us) at any time after they become exercisable and prior to their expiration, at a price of \$0.01 per warrant, provided that the last reported sales price of the common stock equals or exceeds \$18.00 per share (as adjusted for stock splits, stock dividends, reorganizations and recapitalizations) for any 20 trading days within a 30 trading-day period ending on the third business day prior to proper notice of such redemption provided that on the date we give notice of redemption and during the entire period thereafter until the time we redeem the warrants, we have an effective registration statement under the Securities Act covering the shares of common stock issuable upon exercise of the warrants and a current prospectus relating to them is available. If and when the warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws. Redemption of the outstanding warrants could force you (i) to exercise your warrants and pay the exercise price therefor at a time when it may be disadvantageous for you to do so, (ii) to sell your warrants at the then-current market price when you might otherwise wish to hold your warrants or (iii) to accept the nominal redemption price which, at the time the outstanding warrants are called for redemption, is likely to be substantially less than the market value of your warrants. None of the private warrants included in the Private Units will be redeemable by us so long as they are held by the initial purchasers or their permitted transferees.

***Our management's ability to require holders of our warrants to exercise such warrants on a cashless basis will cause holders to receive fewer shares of common stock upon their exercise of the warrants than they would have received had they been able to exercise their warrants for cash.***

If we call our public warrants for redemption after the redemption criteria described elsewhere in this Form 10-K have been satisfied, our management will have the option to require any holder that wishes to exercise his warrant (including any private warrants included in the Private Units) to do so on a "cashless basis." If our management chooses to require holders to exercise their warrants on a cashless basis, the number of shares of common stock received by a holder upon exercise will be fewer than it would have been had such holder exercised his warrant for cash. This will have the effect of reducing the potential "upside" of the holder's investment in our company.

***If our security holders exercise their registration rights, it may have an adverse effect on the market price of our shares of common stock and the existence of these rights may make it more difficult to effect a business combination.***

Our Sponsor is entitled to make a demand that we register the resale of the founders' shares at any time commencing three months prior to the date on which their shares may be released from escrow. Additionally, the holders of representative shares, the private securities and any units and warrants our Sponsor, initial stockholders, officers, directors, or their affiliates may be issued in payment of working capital loans made to us, are entitled to demand that we register the resale of the representative shares, private securities and any other units and warrants we issue to them (and the underlying securities) commencing at any time after we consummate an initial business combination. The presence of these additional securities trading in the public market may have an adverse effect on the market price of our securities. In addition, the existence of these rights may make it more difficult to effectuate a business combination or increase the cost of acquiring the target business, as the stockholders of the target business may be discouraged from entering into a business combination with us or will request a higher price for their securities because of the potential effect the exercise of such rights may have on the trading market for our shares of common stock.

***Provisions in our amended and restated certificate of incorporation and bylaws and Delaware law may inhibit a takeover of us, which could limit the price investors might be willing to pay in the future for our common stock and could entrench management.***

Our amended and restated certificate of incorporation and bylaws contain provisions that may discourage unsolicited takeover proposals that stockholders may consider to be in their best interests. Our board of directors is divided into three classes, each of which will generally serve for a term of three years with only one class of directors being elected in each year. As a result, at a given annual meeting only a minority of the board of directors may be considered for election. Since our “staggered board” may prevent our stockholders from replacing a majority of our board of directors at any given annual meeting, it may entrench management and discourage unsolicited stockholder proposals that may be in the best interests of stockholders. Moreover, our board of directors has the ability to designate the terms of and issue new series of preferred stock.

We are also subject to anti-takeover provisions under Delaware law, which could delay or prevent a change of control. Together these provisions may make more difficult the removal of management and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities.

***Our amended and restated certificate of incorporation provides, subject to limited exceptions, that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for certain stockholder litigation matters, which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or stockholders.***

Our amended and restated certificate of incorporation requires, to the fullest extent permitted by law, that derivative actions brought in our name, actions against directors, officers and employees for breach of fiduciary duty and other similar actions may be brought only in the Court of Chancery in the State of Delaware and, if brought outside of Delaware, the stockholder bringing the suit will be deemed to have consented to service of process on such stockholder’s counsel except any action (A) as to which the Court of Chancery in the State of Delaware determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within ten days following such determination), (B) which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery, (C) for which the Court of Chancery does not have subject matter jurisdiction, or (D) any action arising under the Securities Act, as to which the Court of Chancery and the federal district court for the District of Delaware shall have concurrent jurisdiction. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and consented to the forum provisions in our amended and restated certificate of incorporation.

This choice of forum provision may limit a stockholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers or employees, which may discourage lawsuits with respect to such claims, although our stockholders will not be deemed to have waived our compliance with federal securities laws and the rules and regulations thereunder and may therefore bring a claim in another appropriate forum. We cannot be certain that a court will decide that this provision is either applicable or enforceable, and if a court were to find the choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition.

Our amended and restated certificate of incorporation also provides that the exclusive forum provision will be applicable to the fullest extent permitted by applicable law. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. As a result, the exclusive forum provision will not apply to suits brought to enforce any duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction.

## General Risks

***We are an “emerging growth company” and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our shares of common stock less attractive to investors.***

We are an “emerging growth company,” as defined in the JOBS Act. We will remain an “emerging growth company” for up to five years. However, if our non-convertible debt issued within a three year period or revenues exceeds \$1.07 billion, or the market value of our shares of common stock that are held by non-affiliates exceeds \$700 million on the last day of the second fiscal quarter of any given fiscal year, we would cease to be an emerging growth company as of the following fiscal year. As an emerging growth company, we are not required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, we have reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and we are exempt from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. Additionally, as an emerging growth company, we have elected to delay the adoption of new or revised accounting standards that have different effective dates for public and private companies until those standards apply to private companies. As such, our financial statements may not be comparable to companies that comply with public company effective dates. We cannot predict if investors will find our shares of common stock less attractive because we may rely on these provisions. If some investors find our shares of common stock less attractive as a result, there may be a less active trading market for our shares and our share price may be more volatile.

***If we are deemed to be an investment company, we may be required to institute burdensome compliance requirements and our activities may be restricted, which may make it difficult for us to complete a business combination.***

A company that, among other things, is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting, owning, trading or holding certain types of securities would be deemed an investment company under the Investment Company Act, as amended, or the Investment Company Act. Since the proceeds of our IPO held in the trust account have been invested by us, it is possible that we could be deemed an investment company. Notwithstanding the foregoing, we do not believe that our anticipated principal activities will subject us to the Investment Company Act. To this end, the proceeds held in trust may be invested by the trustee only in United States “government securities” within the meaning of Section 2(a)(16) of the Investment Company Act having a maturity of 180 days or less or in money market funds meeting certain conditions under Rule 2a-7 promulgated under the Investment Company Act which invest only in direct U.S. government treasury obligations. By restricting the investment of the proceeds to these instruments, we intend to meet the requirements for the exemption provided in Rule 3a-1 promulgated under the Investment Company Act.

If we are nevertheless deemed to be an investment company under the Investment Company Act, we may be subject to certain restrictions that may make it more difficult for us to complete a business combination, including:

- restrictions on the nature of our investments; and
- restrictions on the issuance of securities.

In addition, we may have imposed upon us certain burdensome requirements, including:

- registration as an investment company;
- adoption of a specific form of corporate structure; and
- reporting, record keeping, voting, proxy, compliance policies and procedures and disclosure requirements and other rules and regulations.

Compliance with these additional regulatory burdens would require additional expense for which we have not allotted.

***Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect our business, investments and results of operations.***

We are subject to laws and regulations enacted by national, regional and local governments. In particular, we are required to comply with certain SEC and other legal requirements. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly. Those laws and regulations and their interpretation and application may also change from time to time and those changes could have a material adverse effect on our business, investments and results of operations. In addition, a failure to comply with applicable laws or regulations, as interpreted and applied, could have a material adverse effect on our business and results of operations.

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

*The following discussion and analysis of the Company’s financial condition and results of operations should be read in conjunction with our audited financial statements and the notes related thereto which are included in “Item 15. Exhibits and Financial Statement Schedules” of this Amendment. Certain information contained in the discussion and analysis set forth below includes forward-looking statements. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those set forth under “Special Note Regarding Forward-Looking Statements,” “Item 1A. Risk Factors” and elsewhere in this Amendment and the Original 10-K.*

*This Management’s Discussion and Analysis of Financial Condition and Results of Operations has been amended and restated to give effect to the restatement and revision of our financial statements as more fully described in the Explanatory Note and in “Note 2—Restatement of Previously Issued Financial Statements” to our accompanying financial statements. For further detail regarding the restatement adjustments, see Explanatory Note and Item 9A: Controls and Procedures, both contained herein.*

### Overview

We are a blank check company incorporated on November 5, 2018 as a Delaware corporation and formed for the purpose of entering into a merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or similar business combination with one or more businesses or entities. We intend to effectuate our initial business combination using cash from the proceeds of the IPO and the sale of the private units, our capital stock, debt or a combination of cash, stock and debt.

Our entire activity since inception relates to our formation, to prepare for our IPO, which was consummated on March 7, 2019, searching for a business combination candidate, and activities in connection with the proposed acquisition of Microvast.

### Recent Developments

#### *Microvast Business Combination*

On February 1, 2021, Tuscan entered into an Agreement and Plan of Merger (as amended, the “Merger Agreement”), among Tuscan, TSCN Merger Sub Inc., a newly formed Delaware corporation and wholly owned subsidiary of Tuscan (“Merger Sub”), and Microvast, Inc., a Delaware corporation (“Microvast”). Pursuant to the Merger Agreement, Merger Sub will merge with and into Microvast and Microvast will survive the merger and become a wholly owned subsidiary of Tuscan. Under the Merger Agreement, all of the equity interests of Microvast will be converted into an aggregate of 210,000,000 shares of common stock. The Microvast shareholders and the investors in Microvast’s majority-owned subsidiary, MPS, will also have the ability to earn an additional 20,000,000 shares of common stock if the daily volume weighted average price of the common stock is greater than or equal to \$18.00 for any 20 trading days within a 30 trading day period (or a change of control occurs that results in the holders of common stock receiving a per share price equal to or in excess of \$18.00), during the period commencing on the closing date and ending on the third anniversary of the closing date. Concurrently with the execution of the Merger Agreement, Tuscan and Microvast will jointly acquire 100% ownership of MPS and will discharge certain convertible loans of MPS.

The Merger will be accounted for as a reverse recapitalization in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Under this method of accounting, Tuscan will be treated as the “acquired” company for accounting purposes and the Business Combination will be treated as the equivalent of Microvast issuing stock for the net assets of Tuscan, accompanied by a recapitalization. The net assets of Tuscan will be stated at historical cost, with no goodwill or other intangible assets recorded.

Additionally, the Merger Agreement provides that Tuscan will issue an aggregate of 6,736,111 shares of common stock in connection with the Bridge Note Conversion.

Further, on February 1, 2021, Tuscan, the Sponsor, Microvast and certain stockholders of Tuscan entered into the Sponsor Support Agreement, pursuant to which the Sponsor Group agreed, among other things, to vote all equity interests of Tuscan held by such member of the Sponsor Group in favor of the approval and adoption of the proposed business combination with Microvast. Additionally, such members of the Sponsor Group have agreed not to (a) transfer any of their equity interests in the Company (or enter into any arrangement with respect thereto) other than as set forth therein or (b) exercise any conversion rights of any equity interests held by such member of the Sponsor Group in connection with the approval of the proposed business combination.

The Sponsor also agreed that, to the extent that certain expenses of Tuscan are in excess of \$46,000,000 (unless such expenses shall have been approved by Microvast), the Sponsor will either (i) pay any such excess amount in cash or (ii) forfeit to Tuscan such number of shares of common stock held by the Sponsor that would have a value equal to such excess. The Sponsor also agreed to amend the escrow agreement to make certain adjustments to the terms of the escrow of its shares of common stock as set forth in the Sponsor Support Agreement.

Contemporaneously with the execution of the Merger Agreement, certain investors entered into Subscription Agreements pursuant to which such investors subscribed for an aggregate value of \$482,500,000, representing 48,250,000 shares of Tuscan common stock at a purchase price of \$10.00 per share in a private placement to be consummated immediately prior to the consummation of the Transactions. Affiliates of InterPrivate, an advisor to the Sponsor, subscribed to purchase 6.5 million shares in the PIPE Financing for an aggregate purchase price of \$65 million.

Immediately following the Closing, the former equityholders of Microvast will hold approximately 69.9% of the issued and outstanding shares of common stock and the current stockholders of Tuscan will hold approximately 9.2% of the issued and outstanding shares of common stock, which pro forma ownership (1) assumes no Public Stockholder exercises its conversion rights in connection with the business combination, and (2) reflects the issuance of an aggregate of 48,250,000 shares of Common Stock in the PIPE Financing and 6,736,111 shares of common stock in the Bridge Notes Conversion, but does not include the effect of any other financing of Tuscan. If the maximum number of Public Shares are converted into cash such that Microvast does not have the right to terminate the Merger Agreement (i.e., Tuscan has at least \$5,000,001 of net tangible assets immediately prior to or upon consummation of the business combination), such percentages will be approximately 76.8% and 0.2%, respectively.

#### *Extension Amendment*

On December 3, 2020, Tuscan received stockholder approval to extend the date by which it must complete an initial business combination from December 7, 2020 to April 30, 2021. In connection with such extension, holders of 3,198 Public Shares exercised their right to convert their shares into cash at a conversion price of approximately \$10.22 per share, for an aggregate conversion amount of approximately \$32,684.

On March 12, 2021, Tuscan filed a preliminary proxy statement seeking approval from its stockholders to amend Tuscan's charter to further extend the date by which Tuscan is required to complete its initial business combination from April 30, 2021 to July 31, 2021 and to hold an annual meeting for the election of directors in accordance with Nasdaq listing rules. On April 28, 2021, Tuscan convened its annual meeting of stockholders (the "Annual Meeting") virtually. At the Annual Meeting, Tuscan's shareholders approved a proposal to elect Amy Butte as a Class I director, and approved a proposal to adjourn the Annual Meeting to a later date if there had been insufficient votes at the time of the Annual Meeting to approve the proposal to extend the date by which Tuscan must complete its initial business combination from April 30, 2021 to July 31, 2021 (the "Extension Amendment Proposal"). The Annual Meeting was adjourned to May 10, 2021 solely with respect to the voting on the Extension Amendment Proposal.

At the time the Annual Meeting was convened on April 28, 2021, a quorum representing at least a majority of shares outstanding on the record date of March 17, 2021 was present in person or by proxy. However, Tuscan had not received the approval of holders of 65% of its shares outstanding on the record date then necessary to approve the Extension Amendment Proposal, as provided in Article Sixth of Tuscan's certificate of incorporation ("Article Sixth"). According to Article Sixth, as of May 1, 2021, the vote required for approval of the Extension Amendment Proposal will be reduced from 65% of the shares outstanding to a majority of the shares outstanding on the record date, based on the following provisions. Article Sixth provides that at any time during the "Target Business Acquisition Period," any amendment to Article Sixth requires the affirmative vote of the holders of at least 65% of the then outstanding shares of common stock. The "Target Business Acquisition Period" ends on the "Termination Date," which is defined in Article Sixth as April 30, 2021. Therefore, the 65% vote threshold in Article Sixth will no longer apply as of May 1, 2021, and the Extension Amendment Proposal may be approved by a majority of the shares outstanding on the record date. On May 10, 2021, Tuscan reconvened the Annual Meeting, at which the Extension Amendment Proposal was approved by Tuscan's stockholders. Following the Annual Meeting, Tuscan filed an amendment to its certificate of incorporation extending the date by which Tuscan must complete its initial business combination from April 30, 2021 to July 31, 2021.

#### *Loan Commitment*

On February 12, 2021, the Sponsor extended a loan to Tuscan in the aggregate principal amount totaling \$1.2 million, of which \$400,000 was drawn upon on such date. This loan was in addition to the previous \$200,000 drawn upon the \$300,000 convertible note that was committed by the Sponsor on April 21, 2020. As a result of the February 12, 2021 commitment, the Sponsor had committed to the Company a total of \$1.5 million, of which a total of \$600,000 has been drawn upon, with \$400,000 of the drawn amount pursuant to the February 12, 2021 note. The Sponsor intends to convert the \$1.5 million total loan balance into 150,000 Units immediately prior to the closing of the proposed business combination with Microvast. Such Units will have terms identical to the terms of the Company's Private Units and will consist of (i) 150,000 shares of common stock and (ii) warrants to purchase 150,000 shares of common stock at an exercise price of \$11.50 per share, subject to adjustment.

#### *Nasdaq Notification*

On January 6, 2021, we received a notice from the Listing Qualifications Department of The Nasdaq Stock Market stating that we failed to hold an Annual Meeting of stockholders within 12 months after our fiscal year ended December 31, 2019, as required by Nasdaq Listing Rule 5620(a). In accordance with Nasdaq Listing Rule 5810(c)(2)(G), we submitted a plan to regain compliance on February 4, 2021. Nasdaq accepted our plan and granted us an extension through June 29, 2021 to hold an annual meeting. Nasdaq's decision is subject to certain conditions, including that we provide periodic updates with respect to our proposed business combination with Microvast. On April 28, 2021, we held an annual meeting of stockholders, in compliance with our plan.

#### **Results of Operations**

Our only activities from November 5, 2018 (inception) through December 31, 2020 were organizational activities, those necessary to consummate the IPO, described below, and, after the IPO, searching for a target company for a business combination. We do not expect to generate any operating revenues until after the completion of our business combination. We generate non-operating income in the form of interest income on marketable securities held in the trust account. We incur expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance), as well as for due diligence expenses.

As a result of the restatement described in Note 2 of the notes to the financial statements included herein, we classify the Private Warrants as liabilities at their fair value and adjust the warrant instrument to fair value at each reporting period. This liability is subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in our statement of operations.

For the year ended December 31, 2020, we had net loss of \$2,423,649, which consisted of operating costs of \$921,665, a change in fair value of warrant liability of \$3,799,110, and a provision for income taxes of \$366,764, offset by interest income on marketable securities held in the Trust Account of \$2,654,140 and an unrealized gain on marketable securities held in the Trust Account of \$9,750.

For the year ended December 31, 2020, income earned on the investment held in the trust account decreased \$2,258,206, or 46.0% to \$2,654,140 from \$4,912,346 for the year ended December 31, 2019. As a result of the Covid-19 pandemic, the average annual yield on the investment held in the trust account dropped to 0.10% in the second quarter of 2020 down from an average of 1.73% for 2019 and the first quarter of 2020.



For the year ended December 31, 2019, we had net income of \$3,394,659, which consisted of interest income on marketable securities held in the trust account of \$4,912,346 and an unrealized gain on marketable securities held in the trust account of \$128,899, partially offset by a change in fair value of warrant liability of \$27,480, operating costs of \$778,815 and a provision for income taxes of \$895,251.

For the three months ended September 30, 2020, we had a net loss of \$48,045, which consisted of operating costs of \$174,340 and an unrealized loss on marketable securities held in the Trust Account of \$532,988, offset by interest income on marketable securities held in the Trust Account of \$579,117, a change in fair value of warrant liability of \$53,242 and an income tax benefit of \$26,924.

For the nine months ended September 30, 2020, we had net income of \$1,558,248, which consisted of interest income on marketable securities held in the Trust Account of \$2,589,682 and a change in fair value of warrant liability of \$56,667, offset by operating costs of \$654,803, an unrealized loss on marketable securities held in the Trust Account of \$33,021, and a provision for income taxes of \$400,287.

For the three months ended September 30, 2019, we had net income of \$910,334, which consisted of interest income on marketable securities held in the Trust Account of \$1,577,268 and a change in fair value of warrant liability of \$13,740, offset by operating costs of \$262,271, an unrealized loss on marketable securities held in the Trust Account of \$187,306 and a provision for income taxes of \$231,097.

For the nine months ended September 30, 2019, we had net income of \$2,355,418, which consisted of interest income on marketable securities held in the Trust Account of \$3,657,526 and a change in fair value of warrant liability of \$89,310, offset by operating costs of \$527,663, an unrealized loss on marketable securities held in the Trust Account of \$35,094 and a provision for income taxes of \$650,041.

For the three months ended June 30, 2020, we had a net loss of \$297,162, which consisted of operating costs of \$251,714, a change in fair value of warrant liability of \$133,965 and an unrealized loss on marketable securities held in the Trust Account of \$938,273, offset by interest income on marketable securities held in the Trust Account of \$983,408 and an income tax benefit of \$43,382.

For the six months ended June 30, 2020, we had net income of \$1,606,293, which consisted of interest income on marketable securities held in the Trust Account of \$2,010,565, a change in fair value of warrant liability of \$3,435 and an unrealized gain on marketable securities held in the Trust Account of \$499,967, offset by operating costs of \$480,463 and a provision for income taxes of \$427,211.

For the three months ended June 30, 2019, we had net income of \$1,209,849, which consisted of interest income on marketable securities held in the Trust Account of \$1,670,719 and an unrealized gain on marketable securities held in the Trust Account of \$133,070, offset by operating costs of \$195,350, a change in fair value of warrant liability of \$54,960 and a provision for income taxes of \$343,630.

For the six months ended June 30, 2019, we had net income of \$1,445,084, which consisted of interest income on marketable securities held in the Trust Account of \$2,080,258, a change in fair value of warrant liability of \$103,050 and an unrealized gain on marketable securities held in the Trust Account of \$152,212, offset by operating costs of \$265,392 and a provision for income taxes of \$418,944.

For the three months ended March 31, 2020, we had net income of \$1,903,455, which consisted of interest income on marketable securities held in the Trust Account of \$1,027,157, a change in fair value of warrant liability of \$137,400 and an unrealized gain on marketable securities held in the Trust Account of \$1,438,240, offset by operating costs of \$228,749 and provision for income taxes of \$470,593.

For the three months ended March 31, 2019, we had net income of \$235,235, which consisted of interest income on marketable securities held in the Trust Account of \$409,539, a change in fair value of warrant liability of \$48,090 and an unrealized gain on marketable securities held in the Trust Account of \$19,142, offset by operating costs of \$70,042 and provision for income taxes of \$75,314.

## Liquidity and Capital Resources

On March 7, 2019, we consummated our IPO of 24,000,000 units, at a price of \$10.00 per unit, generating gross proceeds of \$240,000,000. Simultaneously with the closing of the IPO, we consummated the sale of 615,000 private units to our Sponsor and EarlyBirdCapital and its designee, generating gross proceeds of \$6,150,000. On March 12, 2019, in connection with the underwriters' exercise of their over-allotment option in full, we consummated the sale of an additional 3,600,000 units at a price of \$10.00 per unit, generating total gross proceeds of \$36,000,000. In addition, we also consummated the sale of an additional 72,000 private units to our Sponsor and EarlyBirdCapital and its designee at \$10.00 per private unit, generating total gross proceeds of \$720,000. Following the IPO, the exercise of the over-allotment option and the sale of the private units, a total of \$276,000,000 was placed in the trust account. We incurred \$6,059,098 in IPO related costs, including \$5,520,000 of underwriting fees, and \$539,098 of other costs.

As of December 31, 2020, we had marketable securities held in the Trust Account of \$282,254,978 (including approximately \$6,255,000 of interest income and unrealized gains less interest withdrawn) consisting of U.S. treasury bills with a maturity of 180 days or less. As of September 30, 2020, we had marketable securities held in the Trust Account of \$282,180,433. As of June 30, 2020, we had marketable securities held in the Trust Account of \$282,267,303. As of March 31, 2020, we had marketable securities held in the Trust Account of \$282,403,044. As of December 31, 2019, we had marketable securities held in the trust account of \$280,103,245. As of September 30, 2019, we had marketable securities held in the trust account of \$278,902,432. As of June 30, 2019, we had marketable securities held in the trust account of \$277,762,470. As of March 31, 2019, we had marketable securities held in the trust account of \$276,428,681. Interest income on the balance in the Trust Account may be used by us to pay taxes. Through December 31, 2020, we withdrew approximately \$1,417,000 of interest earned on the Trust Account to pay our franchise and income tax obligations, of which approximately \$479,000 was withdrawn during the year ended December 31, 2020.

For the year ended December 31, 2020, cash used in operating activities was \$705,994. Net loss of \$2,423,649 was affected by a non-cash charge for the fair value of warrant liabilities of \$3,799,110, interest earned on marketable securities held in the Trust Account of \$2,654,140, an unrealized gain on marketable securities held in our Trust Account of \$9,750 and a deferred income tax benefit of \$5,601. Changes in operating assets and liabilities provided \$588,036 of cash from operating activities.

For the nine months ended September 30, 2020, cash used in operating activities was \$563,890. Net income of \$1,558,248 was affected by interest earned on marketable securities held in the Trust Account of \$2,589,682, a noncash charge for the fair value of warrant liabilities of \$56,667, an unrealized loss on marketable securities held in our Trust Account of \$33,021 and a deferred income tax benefit of \$34,003. Changes in operating assets and liabilities provided \$525,203 of cash from operating activities.

For the six months ended June 30, 2020, cash used in operating activities was \$545,136. Net income of \$1,606,293 was affected by interest earned on marketable securities held in the Trust Account of \$2,010,565, a noncash charge for the fair value of warrant liabilities of \$3,435, an unrealized gain on marketable securities held in our Trust Account of \$499,967 and a deferred income tax provision of \$77,924. Changes in operating assets and liabilities provided \$284,614 of cash from operating activities.

For the three months ended March 31, 2020, cash used in operating activities was \$109,922. Net income of \$1,903,455 was affected by interest earned on marketable securities held in the Trust Account of \$1,027,157, a noncash charge for the fair value of warrant liabilities of \$137,400, an unrealized gain on marketable securities held in our Trust Account of \$1,438,240 and a deferred income tax provision of \$274,962. Changes in operating assets and liabilities provided \$314,458 of cash from operating activities.

For the year ended December 31, 2019, cash used in operating activities was \$1,634,432. Net income of \$3,394,659 was affected by interest earned on marketable securities held in the trust account of \$4,912,346, a non-cash charge for the fair value of warrant liabilities of \$27,480, an unrealized gain on marketable securities held in our trust account of \$128,899 and a deferred income tax provision of \$27,069. Changes in operating assets and liabilities provided \$12,565 of cash from operating activities.

For the nine months ended September 30, 2019, cash used in operating activities was \$1,115,949. Net income \$2,355,418 was affected by interest earned on marketable securities held in the trust account of \$3,657,526, a noncash charge for the fair value of warrant liabilities of \$89,310, an unrealized loss on marketable securities held in our trust account of \$35,094 and a deferred income tax provision of \$7,370. Changes in operating assets and liabilities provided \$69,125 of cash from operating activities.

For the six months ended June 30, 2019, cash used in operating activities was \$279,358. Net income \$1,445,084 was affected by interest earned on marketable securities held in the trust account of \$2,080,258, a noncash charge for the fair value of warrant liabilities of \$103,050, an unrealized gain on marketable securities held in our trust account of \$152,212 and a deferred income tax provision of \$31,965. Changes in operating assets and liabilities provided \$373,013 of cash from operating activities.

For the three months ended March 31, 2019, cash used in operating activities was \$27,594. Net income \$235,235 was affected by interest earned on marketable securities held in the Trust Account of \$409,539, a non-cash charge for the fair value of warrant liabilities of \$48,090, an unrealized gain on marketable securities held in our Trust Account of \$19,142 and deferred income taxes of \$4,020. Changes in operating assets and liabilities provided \$113,742 of cash from operating activities.

We intend to use substantially all of the funds held in the trust account, to acquire a target business and to pay our expenses relating thereto, including fees payable to EarlyBirdCapital and Morgan Stanley, upon consummation of our initial business combination for assisting us in connection with our initial business combination. To the extent that our capital stock is used in whole or in part as consideration to effect a business combination, the remaining funds held in the trust account will be used as working capital to finance the operations of the target business. Such working capital funds could be used in a variety of ways including continuing or expanding the target business' operations, for strategic acquisitions and for marketing, research and development of existing or new products. Such funds could also be used to repay any operating expenses or finders' fees which we had incurred prior to the completion of our business combination if the funds available to us outside of the trust account were insufficient to cover such expenses.

As of December 31, 2020, we had cash of \$135,961. As of September 30, 2020, we had cash of \$255,886. As of June 30, 2020, we had cash of \$144,474. As of March 31, 2020, we had cash of \$195,979. As of December 31, 2019, we had cash of \$140,303. As of September 30, 2019, we had cash of \$440,786. As of June 30, 2019, we had cash of \$1,027,377. As of March 31, 2019, we had cash of \$809,141. We intend to use the funds held outside the trust account for identifying and evaluating prospective acquisition candidates, performing business due diligence on prospective target businesses, traveling to and from the offices, plants or similar locations of prospective target businesses, reviewing corporate documents and material agreements of prospective target businesses, selecting the target business to acquire and structuring, negotiating and consummating the business combination.

On April 20, 2020, the Sponsor committed to provide us an aggregate of \$500,000 in loans. The loans shall be non-interest bearing, unsecured and due upon the consummation of a business combination. In the event that a business combination does not close, the loans would be repaid only out of funds held outside the Trust Account to the extent such funds are available. Otherwise, all amounts loaned to us would be forgiven.

On April 21, 2020, we issued an unsecured promissory note to the Sponsor in the aggregate amount of \$300,000 (the "Sponsor Note"), of which \$200,000 was drawn upon on such date. The Sponsor Note is non-interest bearing and payable upon the consummation of a business combination. The Sponsor Note is convertible, at the lender's option, into units of the post-business combination entity at a price of \$10.00 per unit. The units would be identical to the Private Units. If a business combination is not consummated, the Sponsor Notes will not be repaid by us and all amounts owed thereunder by us will be forgiven except to the extent that we have funds available to us outside of our Trust Account. As of December 31, 2020, there was \$200,000 outstanding under the Sponsor Note.

In order to fund working capital deficiencies or finance transaction costs in connection with a business combination, the Sponsor or our officers and directors or their affiliates may, but are not obligated to, loan us funds on a non-interest basis as may be required, except as described above. If we complete our initial business combination, we will repay such loaned amounts. In the event that our initial business combination does not close, we may use a portion of the working capital held outside the trust account to repay such loaned amounts but no proceeds from our trust account would be used for such repayment. Up to \$1,500,000 of notes may be convertible into private units, at a price of \$10.00 per unit. The units would be identical to the private units.

As described above, our Sponsor committed to loan us a total of \$1.5 million (inclusive of amounts currently outstanding) in aggregate principal amount prior to the consummation of the proposed business combination with Microvast. We will need to raise additional capital through loans or additional investments from our Sponsor, stockholders, officers, directors, or third parties. Other than the \$1.5 million loan (inclusive of amounts currently outstanding) committed to us by our Sponsor, our Sponsor, officers, directors, or their affiliates may, but are not obligated to, loan us funds, from time to time or at any time, in whatever amount they deem reasonable in their sole discretion, to meet our working capital needs. Accordingly, we may not be able to obtain additional financing. If we are unable to raise such additional capital, we may be required to take additional measures to conserve liquidity, which could include, but not necessarily be limited to, curtailing operations, suspending the pursuit of a potential transaction, and reducing overhead expenses. We cannot provide any assurance that new financing will be available to us on commercially acceptable terms, if at all. These conditions raise substantial doubt about our ability to continue as a going concern through April 30, 2021 (or July 31, 2021, if our stockholders approve an amendment to our charter), the date that we will be required to cease all operations, except for the purpose of winding up, if a business combination is not consummated. The financial statements included in this Form 10-K do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should we be unable to continue as a going concern.

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

We did not have any off-balance sheet arrangements as of December 31, 2020.

### **Contractual Obligations**

We do not have any long-term debt, capital lease obligations, operating lease obligations or long-term liabilities other than an agreement to pay an affiliate of our Sponsor a monthly fee of \$10,000 for office space, utilities and secretarial and administrative support. We began incurring these fees on March 5, 2019 and will continue to incur these fees monthly until the earlier of the completion of the business combination and our liquidation.

We have engaged EarlyBirdCapital to act as an advisor in connection with a business combination, to assist us in holding meetings with our shareholders to discuss the potential business combination and the target business' attributes, introduce us to potential investors that are interested in purchasing our securities in connection with a business combination, assist us in obtaining shareholder approval for the business combination and assist us with our press releases and public filings in connection with the business combination. We will pay EarlyBirdCapital a cash fee for such services upon the consummation of a business combination in an amount equal to \$9,660,000 (exclusive of any applicable finders' fees which might become payable); provided that up to 30% of the fee may be allocated at our sole discretion to other FINRA members that assist us in identifying and consummating a business combination.

We engaged Morgan Stanley to provide financial advisory services in connection with the Microvast business combination, and, upon consummation of the transaction with Microvast, we must pay that firm a transaction fee of \$5.5 million, plus expenses. Morgan Stanley also acted as placement agent in connection with the PIPE Financing, and we are obligated to pay Morgan Stanley a placement fee equal to (i) 3.5% of the sum of (x) the aggregate gross proceeds raised in the PIPE Financing up to \$300 million (not including funds from the sale of certain excluded securities) and (y) any borrowings pursuant to a bridge financing provided in connection with the proposed business combination by investors introduced by Morgan Stanley, and (ii) 2.5% of the aggregate gross proceeds raised in the PIPE Financing above \$300 million.

## Critical Accounting Policies

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and income and expenses during the periods reported. Actual results could materially differ from those estimates. We have identified the following critical accounting policies:

### *Warrant Liability*

We account for warrants in accordance with the guidance contained in ASC 815-40-15-7D under which the warrants do not meet the criteria for equity treatment and must be recorded as liabilities. As the Private Warrants meet the definition of a derivative as contemplated in ASC 815, we classify the Private Warrants as liabilities at their fair value and adjust the Private Warrants to fair value at each reporting period. This liability is subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in our statement of operations. The Private Warrants for periods where no observable traded price was available are valued using a binomial lattice model. For periods subsequent to the detachment of the Private Warrants from the Units, the Public Warrant quoted market price was used as the fair value as of each relevant date (see Note 12).

### *Common Stock Subject to Possible Redemption*

We account for our common stock subject to possible conversion in accordance with the guidance in Accounting Standards Codification (“ASC”) Topic 480 “Distinguishing Liabilities from Equity.” Common stock subject to mandatory redemption is classified as a liability instrument and is measured at fair value. Conditionally redeemable common stock (including common stock that features redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within our control) is classified as temporary equity. At all other times, common stock is classified as stockholders’ equity. Our common stock features certain redemption rights that are considered to be outside of our control and subject to occurrence of uncertain future events. Accordingly, common stock subject to possible redemption is presented at redemption value as temporary equity, outside of the stockholders’ equity section of our balance sheets.

### *Net Income (Loss) Per Common Share*

Our statement of operations includes a presentation of income per share for common shares subject to possible redemption in a manner similar to the two-class method of loss per share. Net income per common share, basic and diluted, for Common stock subject to possible redemption is calculated by dividing the proportionate share of income on marketable securities held by the Trust Account, net of applicable franchise and income taxes, by the weighted average number of Common stock subject to possible redemption outstanding since original issuance.

Net loss per share, basic and diluted, for non-redeemable common stock is calculated by dividing the net income, adjusted for income on marketable securities attributable to Common stock subject to possible redemption, by the weighted average number of non-redeemable common stock outstanding for the period.

Non-redeemable common stock includes Founder Shares and non-redeemable shares of common stock as these shares do not have any redemption features. Non-redeemable common stock participates in the income on marketable securities based on non-redeemable common stock shares’ proportionate interest.

### *Recent Accounting Pronouncements*

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 financial statements.

## **ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.**

This information appears following Item 15 of this Amendment and is included herein by reference.

## **ITEM 9A. CONTROLS AND PROCEDURES.**

### **Evaluation of Disclosure 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 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 company reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Chief Executive Officer and Chief Financial Officer (our "Certifying Officers") carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2020. On March 25, 2021, we filed our Original 10-K. Based upon their evaluation at that time, our Certifying Officers had concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were effective. Subsequently, and in connection with this Amendment, our Certifying Officers re-evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2020, pursuant to Rule 13a-15(b) under the Exchange Act. Based upon that evaluation and in light of the SEC Statement, our Certifying Officers concluded that, solely due to the Company's restatement of its financial statements to reclassify the Company's Private Warrants as described in the Explanatory Note to this Amendment, our disclosure controls and procedures were not effective as of December 31, 2020.

We do not expect that our disclosure controls and procedures will prevent all errors and all instances of fraud. Disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Further, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and the benefits must be considered relative to their costs. Because of the inherent limitations in all disclosure controls and procedures, no evaluation of disclosure controls and procedures can provide absolute assurance that we have detected all our control deficiencies and instances of fraud, if any. The design of disclosure controls and procedures also is based partly on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

### **Management's Annual Report on Internal Controls Over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in the Exchange Act Rule 13a-15(f). Our internal control over financial reporting is designed to provide reasonable assurance to our management and board of directors regarding the preparation and fair presentation of published financial statements. A control system, no matter how well designed and operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met. Because of these inherent limitations, management does not expect that our internal control over financial reporting will prevent all error and all fraud. Management conducted an evaluation of our internal control over financial reporting based on the framework in Internal Control—Integrated Framework issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission (the "2013 Framework"). Based on our evaluation under the 2013 Framework, management concluded that our internal control over financial reporting was not effective as of December 31, 2020.

In connection with the restatement of our financial statements included in this Amendment, our management, including our principal executive and financial officers, have evaluated the effectiveness of our internal control over financial reporting and concluded that we did not maintain effective internal control over financial reporting as of December 31, 2020 because of a material weakness in our internal control over financial reporting described below related to the accounting for a significant and unusual transaction related to the Private Warrants. Notwithstanding the material weakness described below, our management has concluded that our restated and revised audited financial statements included in this Amendment are fairly stated in all material respects in accordance with U.S. GAAP for each of the periods presented herein.

In connection with the restatement described in “Note 2— Restatement of Previously Issued Financial Statements” to the accompanying financial statements included in this Amendment, management identified a material weakness in our internal control over financial reporting related to the accounting for a significant and unusual transaction related to the Private Warrants. This material weakness resulted in a material misstatement of our warrant liability, change in fair value of warrant liability, additional paid-in capital and retained earnings as of and for the years ended December 31, 2020.

To respond to this material weakness, we have devoted, and plan to continue to devote, significant effort and resources to the remediation and improvement of our internal control over financial reporting. While we have processes to identify and appropriately apply applicable accounting requirements, we plan to enhance these processes to better evaluate our research and understanding of the nuances of the complex accounting standards that apply to our financial statements. Our plans at this time include providing enhanced access to accounting literature, research materials and documents and increased communication among our personnel and third-party professionals with whom we consult regarding complex accounting applications. The elements of our remediation plan can only be accomplished over time, and we can offer no assurance that these initiatives will ultimately have the intended effects.

This Amendment does not include an attestation report of internal controls from our independent registered public accounting firm due to our status as an emerging growth company under the JOBS Act.

### Restatement of Previously Issued Financial Statements

On May 28, 2021, we revised our prior position on accounting for warrants and concluded that our previously issued financial statements as of and for the years ended December 31, 2020 and 2019, as of and for the periods ended March 31, 2019, June 30, 2019, September 30, 2019, March 31, 2020, June 30, 2020 and September 30, 2020, and as of March 7, 2019 should not be relied on because of a misapplication in the guidance on warrant accounting.

### Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.) In light of the restatement of our financial statements included in this Amendment, we plan to enhance our processes to identify and appropriately apply applicable accounting requirements to better evaluate and understand the nuances of the complex accounting standards that apply to our financial statements. Our plans at this time include providing enhanced access to accounting literature, research materials and documents and increased communication among our personnel and third-party professionals with whom we consult regarding complex accounting applications. The elements of our remediation plan can only be accomplished over time, and we can offer no assurance that these initiatives will ultimately have the intended effects.

## ITEM 15. EXHIBITS, FINANCIAL STATEMENTS, AND SCHEDULES

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

(1) Financial Statements:

Description	
<a href="#">Report of Independent Registered Public Accounting Firm</a>	F-2
Financial Statements:	
<a href="#">Balance Sheets (Restated)</a>	F-3
<a href="#">Statements of Operations (Restated)</a>	F-4
<a href="#">Statements of Changes in Stockholders' Equity (Restated)</a>	F-5
<a href="#">Statements of Cash Flows (Restated)</a>	F-6
<a href="#">Notes to Financial Statements (Restated)</a>	F-7 to F-25

(2) Financial Statement Schedules:

None.

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

<b>Exhibit No.</b>	<b>Description</b>	<b>Included</b>	<b>Form</b>	<b>Date</b>
1.2	<a href="#">Business Combination Marketing Agreement between Tuscan Holdings Corp. and EarlyBirdCapital, Inc.</a>	By Reference	8-K	March 5, 2019
3.1	<a href="#">Amended and Restated Certificate of Incorporation</a>	By Reference	8-K	March 5, 2019
3.2	<a href="#">Amendment to the Amended and Restated Certificate of Incorporation</a>	By Reference	8-K	December 3, 2020
3.3	<a href="#">Bylaws</a>	By Reference	S-1/A	February 26, 2019
4.1	<a href="#">Specimen Unit Certificate</a>	By Reference	S-1/A	February 26, 2019
4.2	<a href="#">Specimen Common Stock Certificate</a>	By Reference	S-1/A	February 26, 2019
4.3	<a href="#">Specimen Warrant Certificate</a>	By Reference	S-1/A	February 26, 2019
4.4	<a href="#">Warrant Agreement between Continental Stock Transfer &amp; Trust Company and Tuscan Holdings Corp.</a>	By Reference	8-K	March 5, 2019
4.5	<a href="#">Description of Securities</a>	By Reference	10-K	March 25, 2021
10.1	<a href="#">Form of Letter Agreement from each of the initial stockholders, officers, and directors of Tuscan Holdings Corp.</a>	By Reference	S-1/A	February 26, 2019
10.2	<a href="#">Investment Management Trust Agreement between Continental Stock Transfer &amp; Trust Company and Tuscan Holdings Corp.</a>	By Reference	8-K	March 5, 2019
10.3	<a href="#">Registration Rights Agreement.</a>	By Reference	8-K	March 5, 2019
10.4	<a href="#">Subscription Agreement for Private Units between Tuscan Holdings Acquisition LLC and Tuscan Holdings Corp.</a>	By Reference	S-1/A	February 26, 2019
10.5	<a href="#">Subscription Agreement for Private Units between EarlyBirdCapital, Inc. and Tuscan Holdings Corp.</a>	By Reference	S-1/A	February 26, 2019
10.6	<a href="#">Stock Escrow Agreement.</a>	By Reference	8-K	March 5, 2019
10.7	<a href="#">Sponsor Commitment Letter, dated as of April 20, 2020.</a>	By Reference	8-K	April 20, 2020
10.8	<a href="#">Convertible Promissory Note, dated as of April 21, 2020.</a>	By Reference	8-K	April 20, 2020
10.9	<a href="#">Convertible Promissory Note, dated as of February 12, 2021</a>	By Reference	10-K	March 25, 2021
10.10	<a href="#">Agreement and Plan of Merger, dated as of February 1, 2021, by and among Tuscan Holdings Corp., TSCN Merger Sub Inc., and Microvast, Inc.</a>	By Reference	8-K	February 5, 2021
10.11	<a href="#">Framework Agreement, dated as of February 1, 2021, by and among Tuscan Holdings Corp., Microvast, Inc., MVST SPV Inc., Microvast Power System (Huzhou) Co., Ltd., and the other parties thereto</a>	By Reference	8-K	February 5, 2021
10.12	<a href="#">Microvast Stockholder Support Agreement, dated as of February 1, 2021, by and among Tuscan Holdings Corp., Microvast, Inc., and certain stockholders of Microvast, Inc.</a>	By Reference	8-K	February 5, 2021
10.13	<a href="#">Sponsor Support Agreement, dated as of February 1, 2021, by and among Tuscan Holdings Corp., Microvast, Inc., Tuscan Holdings Acquisition LLC, and certain other stockholders of Tuscan Holdings Corp.</a>	By Reference	8-K	February 5, 2021
10.14	<a href="#">Form of Subscription Agreement</a>	By Reference	8-K	February 5, 2021
10.15	<a href="#">Subscription Agreement, dated as of February 1, 2021, by and between Tuscan Holdings Corp. and Riheng HK Limited</a>	By Reference	8-K	February 5, 2021
10.16	<a href="#">Subscription Agreement, dated as of February 1, 2021, by and between Tuscan Holdings Corp. and Aurora Sheen Limited</a>	By Reference	8-K	February 5, 2021
21	<a href="#">List of Subsidiaries</a>	By Reference	10-K	March 25, 2021
31.1	<a href="#">Certification of Principal Executive Officer and Principal Financial and Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>	Herewith	--	--
31.2	<a href="#">Certification of Principal Financial Officer and Principal Financial and Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>	Herewith	--	--
32	<a href="#">Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>	Herewith	--	--
101.INS	XBRL Instance Document			
101.SCH	XBRL Taxonomy Extension Schema Document			
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document			
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document			
101.LAB	XBRL Taxonomy Extension Label Linkbase Document			
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document			



## SIGNATURES

Pursuant to the requirements of the Section 13 or 15 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on the 28th day of May, 2021.

### TUSCAN HOLDINGS CORP.

By: /s/ Stephen A. Vogel  
Stephen A. Vogel  
Chief Executive Officer

In accordance with the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Name</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Stephen A. Vogel</u> Stephen A. Vogel	Chairman and Chief Executive Officer (Principal Executive Officer)	May 28, 2021
<u>/s/ Ruth Epstein</u> Ruth Epstein	President, Chief Financial Officer (Principal Financial and Accounting Officer) and Director	May 28, 2021
<u>/s/ Amy Butte</u> Amy Butte	Director	May 28, 2021
<u>/s/ Richard O. Rieger</u> Richard O. Rieger	Director	May 28, 2021
<u>/s/ Stefan M. Selig</u> Stefan M. Selig	Director	May 28, 2021

TUSCAN HOLDINGS CORP.

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of  
**Tuscan Holdings Corp.**

### **Opinion on the Financial Statements**

We have audited the accompanying balance sheets of Tuscan Holdings Corp. (the "Company") as of December 31, 2020 and 2019, the related statements of operations, changes in stockholders' equity and cash flows for each of the years ended December 31, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the years ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

### **Explanatory Paragraph – Going Concern**

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company's cash and working capital as of December 31, 2020 are not sufficient to complete its planned activities. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

### **Restatement of Previously Issued Financial Statement**

As discussed in Note 2, the accompanying financial statements as of December 31, 2020 and 2019, the related statements of operations, changes in stockholders' equity and cash flows for each of the years ended December 31, 2020, have been restated to correct an error.

### **Basis for Opinion**

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

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

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

/s/ Marcum LLP

We have served as the Company's auditor since 2018.

New York, NY

March 24, 2021, except for the effects of the restatement disclosed in Note 2, and the subsequent events discussed in Note 12 as to which the date is May 28, 2021

**TUSCAN HOLDINGS CORP.**  
**BALANCE SHEETS (As Restated)**

	<b>December 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
Current assets		
Cash	\$ 135,961	\$ 140,303
Prepaid income taxes	—	69,818
Prepaid expenses and other current assets	22,499	186,247
<b>Total Current Assets</b>	<b>158,460</b>	<b>396,368</b>
Cash and marketable securities held in Trust Account	282,254,978	280,103,245
<b>TOTAL ASSETS</b>	<b>\$ 282,413,438</b>	<b>\$ 280,499,613</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 320,978	\$ 269,055
Income taxes payable	302,547	—
Advances from related party	22,179	—
<b>Total Current Liabilities</b>	<b>645,704</b>	<b>269,055</b>
Convertible promissory note – related party	200,000	—
Warrant liability	4,204,440	405,330
Deferred tax liability	21,468	27,069
<b>TOTAL LIABILITIES</b>	<b>5,071,612</b>	<b>701,454</b>
<b>Commitments</b>		
Common stock subject to possible redemption 26,675,733 and 27,086,524 at December 31, 2020 and 2019, respectively	272,341,820	274,798,150
<b>Stockholders' Equity</b>		
Preferred stock, \$0.0001 par value; 1,000,000 shares authorized; none issued and outstanding	—	—
Common stock, \$0.0001 par value; 65,000,000 shares authorized; 8,808,069 and 8,400,476 shares issued and outstanding (excluding 26,675,733 and 27,086,524 shares subject to possible redemption) at December 31, 2020 and 2019, respectively	881	840
Additional paid-in capital	4,028,907	1,605,302
Retained earnings	970,218	3,393,867
<b>Total Stockholders' Equity</b>	<b>5,000,006</b>	<b>5,000,009</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 282,413,438</b>	<b>\$ 280,499,613</b>

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

**TUSCAN HOLDINGS CORP.**  
**STATEMENTS OF OPERATIONS (As Restated)**

	<b>Year Ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Operating and formation costs	\$ 921,665	\$ 778,815
<b>Loss from operations</b>	<b>(921,665)</b>	<b>(778,815)</b>
Other income (expense):		
Interest earned on marketable securities held in Trust Account	2,654,140	4,912,346
Change in fair value of warrant liability	(3,799,110)	27,480
Unrealized gain on marketable securities held in Trust Account	9,750	128,899
Other income (expense)	(1,135,220)	5,068,725
Income before provision for income taxes	(2,056,885)	4,289,910
Provision for income taxes	(366,764)	(895,251)
<b>Net (loss) income</b>	<b>\$ (2,423,649)</b>	<b>\$ 3,394,659</b>
Basic and diluted weighted average shares outstanding, Common stock subject to possible redemption	27,069,514	27,072,466
Basic and diluted net income per share, Common stock subject to possible redemption	\$ 0.07	\$ 0.14
Basic weighted average shares outstanding, Common stock	8,417,241	7,969,549
<b>Basic net loss per common share, Common stock</b>	<b>\$ (0.53)</b>	<b>\$ (0.06)</b>
<b>Diluted weighted average shares outstanding, Common Stock</b>	<b>8,417,241</b>	<b>7,969,549</b>
<b>Diluted net loss per common share, Common stock</b>	<b>\$ (0.53)</b>	<b>\$ (0.07)</b>

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

**TUSCAN HOLDINGS CORP.**  
**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (As Restated)**

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Retained Earnings/ (Accumulated Deficit)</u>	<u>Total Stockholders' Equity</u>
	<u>Shares</u>	<u>Amount</u>			
<b>Balance – January 1, 2019</b>	7,200,000	\$ 720	\$ 25,480	\$ (792)	\$ 25,408
Sale of 27,600,000 Units, net of underwriting discount and offering expenses	27,600,000	2,760	269,938,142	—	269,940,902
Sale of 687,000 Private Units, net of warrant liability	687,000	68	6,437,122	—	6,437,190
Common stock subject to possible redemption	(27,086,524)	(2,708)	(274,795,442)	—	(274,798,150)
Net income	—	—	—	3,394,659	3,394,659
<b>Balance – December 31, 2019</b>	<b>8,400,476</b>	<b>840</b>	<b>1,605,302</b>	<b>3,394,659</b>	<b>5,000,009</b>
Change in value of common stock subject to possible redemption	407,593	41	2,423,605	—	2,423,646
Net loss	—	—	—	(2,423,649)	(2,423,649)
<b>Balance – December 31, 2020</b>	<b>8,808,069</b>	<b>\$ 881</b>	<b>\$ 4,028,907</b>	<b>\$ 970,218</b>	<b>\$ 5,000,006</b>

*The accompanying notes are an integral part of the financial statements.*

**TUSCAN HOLDINGS CORP.**  
**STATEMENTS OF CASH FLOWS (As Restated)**

	<b>Year Ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>Cash Flows from Operating Activities:</b>		
Net (loss) income	\$ (2,423,649)	\$ 3,394,659
Adjustments to reconcile net income to net cash used in operating activities:		
Change in fair value of warrant liability	3,799,110	(27,480)
Interest earned on marketable securities held in Trust Account	(2,654,140)	(4,912,346)
Unrealized gain on marketable securities held in Trust Account	(9,750)	(128,899)
Deferred tax provision	(5,601)	27,069
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	163,748	(186,222)
Prepaid income taxes	69,818	(69,818)
Accounts payable and accrued expenses	51,923	268,605
Income taxes payable	302,547	—
<b>Net cash used in operating activities</b>	<b>(705,994)</b>	<b>(1,634,432)</b>
<b>Cash Flows from Investing Activities:</b>		
Investment of cash in Trust Account	—	(276,000,000)
Cash withdrawn from Trust Account for redemptions	32,684	—
Cash withdrawn from Trust Account to pay income taxes	479,473	938,000
<b>Net cash provided by (used in) investing activities</b>	<b>512,157</b>	<b>(275,062,000)</b>
<b>Cash Flows from Financing Activities:</b>		
Proceeds from sale of Units, net of underwriting discounts paid	—	270,480,000
Proceeds from sale of Private Units	—	6,870,000
Advances from related party	25,012	86,748
Repayment of advances from related party	(2,833)	(86,748)
Proceeds from convertible promissory note – related party	200,000	—
Proceeds from promissory note – related party	—	15,000
Repayment of promissory note – related party	—	(90,342)
Payment of offering costs	(32,684)	(455,423)
<b>Net cash provided by financing activities</b>	<b>189,495</b>	<b>276,819,235</b>
<b>Net Change in Cash</b>	<b>(4,342)</b>	<b>122,803</b>
Cash – Beginning of period	140,303	17,500
<b>Cash – End of period</b>	<b>\$ 135,961</b>	<b>\$ 140,303</b>
<b>Supplemental cash flow information</b>		
Cash paid for income taxes	\$ —	\$ 938,000
<b>Non-Cash investing and financing activities:</b>		
Initial classification of common stock subject to possible redemption	\$ —	\$ 271,403,050
Change in value of common stock subject to possible redemption	\$ (2,456,330)	\$ 3,395,100

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

**TUSCAN HOLDINGS CORP.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1. DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS**

Tuscan Holdings Corp. (the “Company”) was incorporated in Delaware on November 5, 2018. The Company was formed for the purpose of entering into a merger, share exchange, asset acquisition, stock purchase, recapitalization, 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 sector for purposes of consummating a Business Combination, the Company is focusing its search on companies in the cannabis industry.

The Company has one subsidiary, TSCN Merger Sub Inc., a wholly-owned subsidiary of the Company incorporated in Delaware on January 21, 2021 (“Merger Sub”) (see Note 12).

All activity through December 31, 2020 relates to the Company’s formation, the initial public offering (“Initial Public Offering”), which is described below, identifying a target company for a Business Combination, activities in connection with the proposed acquisition of Microvast, Inc., a Delaware corporation (“Microvast”) (see Note 12). The Company will not generate any operating revenues until after the completion of a Business Combination, at the earliest. The Company generates non-operating income in the form of interest income from the proceeds derived from the Initial Public Offering.

The registration statement for the Company’s Initial Public Offering was declared effective on March 5, 2019. On March 7, 2019, the Company consummated the Initial Public Offering of 24,000,000 units (the “Units” and, with respect to the shares of common stock included in the Units sold, the “Public Shares”) at \$10.00 per Unit, generating gross proceeds of \$240,000,000, which is described in Note 4.

Simultaneously with the closing of the Initial Public Offering, the Company consummated the sale of 615,000 units (the “Private Units”) at a price of \$10.00 per Private Unit in a private placement to Tuscan Holdings Acquisition LLC (the “Sponsor”) and EarlyBirdCapital, Inc. (“EarlyBirdCapital”) and its designee, generating gross proceeds of \$6,150,000, which is described in Note 5.

Following the closing of the Initial Public Offering on March 7, 2019, an amount of \$240,000,000 (\$10.00 per Unit) from the net proceeds of the sale of the Units in the Initial Public Offering and the sale of the Private Units was placed in a trust account (“Trust Account”) which are invested in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act of 1940, as amended (the “Investment Company Act”), with a maturity of 180 days or less or in any open-ended investment company that holds itself out as a money market fund meeting the conditions of Rule 2a-7 of the Investment Company Act of 1940, as amended (the “Investment Company Act”), as determined by the Company, until the earlier of: (i) the completion of a Business Combination or (ii) the distribution of the Trust Account, as described below.

On March 12, 2019, the underwriters exercised their over-allotment option in full, resulting in the sale of an additional 3,600,000 Units for \$36,000,000, less the underwriters’ discount of \$720,000. In connection with the underwriters’ exercise of their over-allotment option, the Company also consummated the sale of an additional 72,000 Private Units at \$10.00 per Private Unit, generating total gross proceeds of \$720,000. A total of \$36,000,000 was deposited into the Trust Account from the sale of the additional Units pursuant to the over-allotment option and the additional sale of Private Units, bringing the aggregate proceeds held in the Trust Account to \$276,000,000.

Transaction costs amounted to \$6,059,098, consisting of \$5,520,000 of underwriting fees and \$539,098 of other offering costs.

The Company’s management has broad discretion with respect to the specific application of the net proceeds of the Initial Public Offering and the sale of the Private Units, although substantially all of the net proceeds are intended to be applied generally toward consummating a Business Combination. The Company’s Business Combination must be with one or more target businesses that together have a fair market value of at least 80% of the assets held in the Trust Account (excluding taxes payable on income earned on the Trust Account) at the time of the agreement to enter into a Business Combination. The Company will only complete a Business Combination if the post-transaction company owns or acquires 50% or more of the outstanding voting securities of the target or otherwise acquires a controlling interest in the target sufficient for it not to be required to register as an investment company under the Investment Company Act. There is no assurance that the Company will be able to complete a Business Combination successfully.

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 (\$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 franchise and income tax obligations). There will be no redemption rights upon the completion of a Business Combination with respect to the Company’s warrants.



**TUSCAN HOLDINGS CORP.**  
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The Company will proceed with a Business Combination only if the Company has net tangible assets of at least \$5,000,001 upon such consummation of a Business Combination and, solely if the Company seeks stockholder approval, a majority of the shares voted are voted in favor of the Business Combination. If a stockholder vote is not required by law and the Company does not decide to hold a stockholder vote for business or other legal reasons, the Company will, pursuant to its Amended and Restated Certificate of Incorporation (the “Amended and Restated Certificate of Incorporation”), conduct the redemptions pursuant to the tender offer rules of the U.S. Securities and Exchange Commission (“SEC”) and file tender offer documents with the SEC prior to completing a Business Combination. If, however, stockholder approval of the transaction is required by law, or the Company decides to obtain stockholder approval for business or 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 Company’s Sponsor and EarlyBirdCapital have agreed to vote their Founder Shares (as defined in Note 6), Private Shares (as defined in Note 5) and any Public Shares purchased after the Initial Public Offering in favor of approving a Business Combination and not to convert any shares in connection with a stockholder vote to approve a Business Combination or sell any shares to the Company in a tender offer in connection with 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.

The Sponsor and EarlyBirdCapital have agreed (a) to waive their rights to liquidating distributions from the Trust Account with respect to the Founder Shares and Private Shares if the Company fails to consummate a Business Combination and (b) not to propose an amendment to the Amended and Restated Certificate of Incorporation that would affect a public stockholders’ ability to convert or sell their shares to the Company in connection with a Business Combination or affect the substance or timing of the Company’s obligation to redeem 100% of its Public Shares if the Company does not complete a Business Combination, unless the Company provides the public stockholders with the opportunity to redeem their Public Shares in conjunction with any such amendment.

The Company had until December 7, 2020 to complete a Business Combination (the “Combination Period”). On December 3, 2020, the Company held a special meeting pursuant to which the Company’s stockholders approved extending the Combination Period from December 7, 2020 to April 30, 2021 (the “Extension Date”). In connection with the approval of the extension, stockholders elected to redeem an aggregate of 3,198 shares of the Company’s common stock. As a result, an aggregate of approximately \$32,700 (or approximately \$10.22 per share) was released from the Company’s Trust Account to pay such stockholders. Additionally, on May 10, 2021, at a reconvened annual meeting of stockholders initially convened on April 28, 2021, the Company received stockholder approval to further extend the date by which the Company is required to complete a business combination from April 30, 2021 to July 31, 2021. In connection with such extension, holders of an aggregate of 13,290 Public Shares exercised their right to redeem their shares for cash.

If the Company is unable to complete a Business Combination within the Combination Period, the Company will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account including interest earned on the funds held in the Trust Account and not previously released to the Company to pay franchise and income taxes, divided by the number of then outstanding Public Shares, which redemption will completely extinguish public stockholders’ rights as stockholders (including the right to receive further liquidating distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the Company’s remaining stockholders and the Company’s board of directors, dissolve and liquidate, subject in each case to the Company’s obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law. There will be no redemption rights or liquidating distributions with respect to the Company’s warrants, which will expire worthless if the Company fails to complete a Business Combination within the Combination Period.

In order to protect the amounts held in the Trust Account, the Sponsor has agreed to be liable to the Company if and to the extent any claims by a third party for services rendered or products sold to the Company, or a prospective target business with which the Company has discussed entering into a transaction agreement, reduce the amount of funds in the Trust Account to below \$10.00 per Public Share, except as to any claims by a third party who executed an agreement with the Company waiving any right, title, interest or claim of any kind they may have in or to any monies held in the Trust Account and except as to any claims under the Company’s indemnity of the underwriters of Initial Public Offering against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the “Securities Act”). Moreover, in the event that an executed waiver is deemed to be unenforceable against a third party, the Insiders 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 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.

***Risks and Uncertainties***

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

**TUSCAN HOLDINGS CORP.**  
**NOTES TO FINANCIAL STATEMENTS**  
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***Liquidity and Going Concern***

The Company has principally financed its operations from inception using proceeds from the sale of its equity securities to its stockholders prior to the Initial Public Offering and such amount of proceeds from the Initial Public Offering that were placed in an account outside of the Trust Account for working capital purposes. As of December 31, 2020, the Company had \$135,961 held outside of the Trust Account. As of April 20, 2020, the Sponsor committed to provide an aggregate of \$500,000 in loans to the Company. The loans shall be non-interest bearing, unsecured and due upon the consummation of a Business Combination. In the event that a Business Combination does not close, the loans would be repaid only out of funds held outside the Trust Account to the extent such funds are available. Otherwise, all amounts loaned to the Company would be forgiven. On April 21, 2020, the Sponsor loaned the Company an aggregate of \$200,000 (see Note 6).

Until the consummation of a Business Combination, the Company will be using the funds not held in the Trust Account for identifying and evaluating prospective acquisition candidates, performing due diligence on prospective target businesses, paying for travel expenditures, selecting the target business to acquire, and structuring, negotiating and consummating the Business Combination.

The Company will need to raise further additional capital through loans or additional investments from its Sponsor, stockholders, officers, directors, or third parties. In addition to the loan commitment described herein (see Note 12), the Company's officers, directors and Sponsor may, but are not obligated to, loan the Company funds, from time to time or at any time, in whatever amount they deem reasonable in their sole discretion, to meet the Company's working capital needs. Accordingly, the Company may not be able to obtain additional financing. If the Company is unable to raise additional capital, it may be required to take additional measures to conserve liquidity, which could include, but not necessarily be limited to, curtailing operations, suspending the pursuit of a potential transaction, and reducing overhead expenses. The Company cannot provide any assurance that new financing will be available to it on commercially acceptable terms, if at all. These conditions raise substantial doubt about the Company's ability to continue as a going concern through July 31, 2021 (which was extended from April 30, 2021 by vote of the Company's stockholders), the current date that the Company will be required to cease all operations, except for the purpose of winding up, if a Business Combination is not consummated. These financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern.

**NOTE 2 — RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS**

The Company previously accounted for its outstanding Private Warrants as components of equity instead of as derivative liabilities. The warrant agreement governing the Private Warrants includes a provision that provides for potential changes to the settlement amounts dependent upon the characteristics of the holder of the Private Warrant.

On April 12, 2021, the Acting Director of the Division of Corporation Finance and Acting Chief Accountant of the Securities and Exchange Commission together issued a statement regarding the accounting and reporting considerations for warrants issued by special purpose acquisition companies entitled "Staff Statement on Accounting and Reporting Considerations for Warrants Issued by Special Purpose Acquisition Companies ("SPACs")" (the "SEC Statement"). The SEC Statement advises, among other things, that certain adjustments generally present in SPAC warrants preclude such warrants from being accounted for as equity, which terms are similar to those contained in the warrant agreement (the "Warrant Agreement").

In further consideration of the SEC Statement, the Company's management further evaluated the Private Warrants under Accounting Standards Codification ("ASC") Subtopic 815-40, Contracts in Entity's Own Equity. ASC Section 815-40-15 addresses equity versus liability treatment and classification of equity-linked financial instruments, including warrants, and states that a warrant may be classified as a component of equity only if, among other things, the warrant is indexed to the issuer's common stock. Under ASC Section 815-40-15, a warrant is not indexed to the issuer's common stock if the terms of the warrant require an adjustment to the exercise price upon a specified event and that event is not an input to the fair value of the warrant. Based on management's evaluation, the Company's audit committee, in consultation with management, concluded that the Company's Private Warrants are not indexed to the Company's common stock in the manner contemplated by ASC Section 815-40-15 because the holder of the instrument is not an input into the pricing of a fixed-for-fixed option on equity shares.

As a result of the above, the Company should have classified the Private Warrants as derivative liabilities in its previously issued financial statements. Under this accounting treatment, the Company is required to measure the fair value of the Private Warrants at the end of each reporting period as well as re-evaluate the treatment of the Private Warrants and recognize changes in the fair value from the prior period in the Company's operating results for the current period.

**TUSCAN HOLDINGS CORP.**  
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The Company's accounting for the Private Warrants as components of equity instead of as derivative liabilities did not have any effect on the Company's previously reported investments held in trust, operating expenses, or cash.

The table below summarizes the effects of the restatement on the financial statements for all periods being restated.

	<u>As Previously Reported</u>	<u>Adjustments</u>	<u>As Restated</u>
<b>Balance sheet as of March 7, 2019 (audited)</b>			
Total Liabilities	\$ 800	\$ 387,450	\$ 388,250
Common Stock Subject to Possible Redemption	235,835,860	(387,450)	235,448,410
Common Stock	823	4	827
Additional Paid-in Capital	5,000,419	(4)	5,000,415
Accumulated Deficit	(1,237)	-	(1,237)
Number of shares subject to redemption	23,583,586	(38,745)	23,544,841
<b>Balance sheet as of March 31, 2019 (unaudited)</b>			
Total Liabilities	\$ 141,266	\$ 480,900	\$ 622,166
Common Stock Subject to Possible Redemption	272,119,628	(480,900)	271,638,728
Common Stock	830	5	835
Additional Paid-in Capital	4,716,644	48,085	4,764,729
Retained Earnings	282,533	(48,090)	234,443
Number of shares subject to redemption	27,181,690	(48,037)	27,133,653
<b>Balance sheet as of June 30, 2019 (unaudited)</b>			
Total Liabilities	\$ 575,711	\$ 535,860	\$ 1,111,571
Common Stock Subject to Possible Redemption	273,384,442	(535,860)	272,848,582
Common Stock	827	5	832
Additional Paid-in Capital	3,451,833	103,045	3,554,878
Retained Earnings	1,547,342	(103,050)	1,444,292
Number of shares subject to redemption	27,212,685	(53,339)	27,159,346
<b>Balance sheet as of September 30, 2019 (unaudited)</b>			
Total Liabilities	\$ 305,931	\$ 522,120	\$ 828,051
Common Stock Subject to Possible Redemption	274,281,031	(522,120)	273,758,911
Common Stock	833	5	838
Additional Paid-in Capital	2,555,238	89,305	2,644,543
Retained Earnings	2,443,936	(89,310)	2,354,626
Number of shares subject to redemption	27,157,275	(51,696)	27,105,579
<b>Balance sheet as of December 31, 2019 (audited)</b>			
Total Liabilities	\$ 296,124	\$ 405,330	\$ 701,454
Common Stock Subject to Possible Redemption	275,203,480	(405,330)	274,798,150
Common Stock	836	4	840
Additional Paid-in Capital	1,632,786	(27,484)	1,605,302
Retained Earnings	3,366,387	27,480	3,393,867
Number of shares subject to redemption	27,126,477	(39,953)	27,086,524
<b>Balance sheet as of March 31, 2020 (unaudited)</b>			
Total Liabilities	\$ 845,553	\$ 267,930	\$ 1,113,483
Common Stock Subject to Possible Redemption	276,969,542	(267,930)	276,701,612
Common Stock	840	2	842
Additional Paid-in Capital	-	(164,882)	(164,882)
Retained Earnings	4,999,162	164,880	5,164,042
Number of shares subject to redemption	27,082,526	(26,199)	27,056,327

**TUSCAN HOLDINGS CORP.**  
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**Balance sheet as of June 30, 2020 (unaudited)**

Total Liabilities	\$ 761,591	\$ 401,895	\$ 1,163,486
Common Stock Subject to Possible Redemption	276,806,346	(401,895)	276,404,451
Common Stock	839	4	843
Additional Paid-in Capital	29,917	(30,919)	(1,002)
Accumulated Deficit	4,969,245	30,915	5,000,160
Number of shares subject to redemption	27,099,153	(39,345)	27,059,808

**Balance sheet as of September 30, 2020 (unaudited)**

Total Liabilities	\$ 826,108	\$ 348,653	\$ 1,174,761
Common Stock Subject to Possible Redemption	276,705,058	(348,653)	276,356,405
Common Stock	838	3	841
Additional Paid-in Capital	131,206	(84,160)	47,046
Retained Earnings	4,867,958	84,157	4,952,115
Number of shares subject to redemption	27,110,573	(34,160)	27,076,413

**Balance sheet as of December 31, 2020 (audited)**

Total Liabilities	\$ 867,172	\$ 4,204,440	\$ 5,071,612
Common Stock Subject to Possible Redemption	276,546,264	(4,204,440)	272,341,820
Common Stock	840	41	881
Additional Paid-in Capital	257,314	3,771,589	4,028,903
Retained Earnings	4,741,848	(3,771,630)	970,218
Number of shares subject to redemption	27,087,556	(411,823)	26,675,733

**Statement of Operations for the Three months ended March 31, 2019 (unaudited)**

Net income (loss)	\$ 283,325	\$ (48,090)	\$ 235,235
Basic and diluted weighted average shares outstanding, Common stock subject to possible redemption	27,181,690	-	27,181,690
Basic and diluted net income per share, Common stock subject to possible redemption	0.00	0.00	0.00
Basic and diluted weighted average shares outstanding, Common stock	6,780,244	-	6,780,244
Basic and diluted net income per share, Common stock	0.00	0.05	0.05

**Statement of Operations for the Three months ended June 30, 2019 (unaudited)**

Net income (loss)	\$ 1,264,809	\$ (54,960)	\$ 1,209,849
Basic and diluted weighted average shares outstanding, Common stock subject to possible redemption	27,212,685	-	27,212,685
Basic and diluted net income per share, Common stock subject to possible redemption	0.00	0.00	0.00
Basic and diluted weighted average shares outstanding, Common stock	8,305,310	-	8,305,310
Basic and diluted net income per share, Common stock	(0.02)	0.17	0.15

**Statement of Operations for the Six months ended June 30, 2019 (unaudited)**

Net income (loss)	\$ 1,548,134	\$ (103,050)	\$ 1,445,084
Basic and diluted weighted average shares outstanding, Common stock subject to possible redemption	27,212,685	(55,410)	27,157,275
Basic and diluted net income per share, Common stock subject to possible redemption	0.00	0.00	0.00
Basic and diluted weighted average shares outstanding, Common stock	7,546,990	727,325	8,274,315
Basic and diluted net income per share, Common stock	(0.02)	0.13	0.11

**Statement of Operations for the Three months ended September 30, 2019 (unaudited)**

Net income	\$ 896,594	\$ 13,740	\$ 910,334
Basic and diluted weighted average shares outstanding, Common stock subject to possible redemption	27,157,275	-	27,157,275
Basic and diluted net income per share, Common stock subject to possible redemption	0.00	0.00	0.00
Basic and diluted weighted average shares outstanding, Common stock	8,274,315	(482,219)	7,792,096
Basic and diluted net income per share, Common stock	(0.02)	0.34	0.32

**TUSCAN HOLDINGS CORP.**  
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**Statement of Operations for the Nine months ended September 30, 2019 (unaudited)**

Net income (loss)	\$ 2,444,728	\$ (89,310)	\$ 2,355,418
Basic and diluted weighted average shares outstanding, Common stock subject to possible redemption	27,157,275	-	27,157,275
Basic and diluted net income per share, Common stock subject to possible redemption	0.00	0.00	0.00
Basic and diluted weighted average shares outstanding, Common stock	7,792,096	-	7,792,096
Basic and diluted net income per share, Common stock	(0.04)	0.36	0.32

**Statement of Operations for the Year ended December 31, 2019 (audited)**

Net income	\$ 3,367,179	\$ 27,480	\$ 3,394,659
Basic and diluted weighted average shares outstanding, Common stock subject to possible redemption	27,126,477	-	27,126,477
Basic and diluted net income per share, Common stock subject to possible redemption	0.00	0.00	0.00
Basic and diluted weighted average shares outstanding, Common stock	7,927,608	-	7,927,608
Basic and diluted net income per share, Common stock	(0.07)	0.51	0.44

**Statement of Operations for the Three months ended March 31, 2020 (unaudited)**

Net income	\$ 1,766,055	\$ 137,400	\$ 1,903,455
Basic and diluted weighted average shares outstanding, Common stock subject to possible redemption	27,082,526	3,998	27,086,524
Basic and diluted net income per share, Common stock subject to possible redemption	0.07	0.00	0.07
Basic and diluted weighted average shares outstanding, Common stock	8,360,523	39,953	8,400,476
Basic and diluted net income per share, Common stock	(0.02)	(0.02)	(0.00)

**Statement of Operations for the Three months ended June 30, 2020 (unaudited)**

Net loss	\$ (163,197)	\$ (133,965)	\$ (297,162)
Basic and diluted weighted average shares outstanding, Common stock subject to possible redemption	27,099,153	(42,856)	27,056,327
Basic and diluted net income per share, Common stock subject to possible redemption	0.00	0.00	0.00
Basic and diluted weighted average shares outstanding, Common stock	8,404,474	26,199	8,430,673
Basic and diluted net income per share, Common stock	(0.02)	(0.02)	(0.04)

**Statement of Operations for the Six months ended June 30, 2020 (unaudited)**

Net income	\$ 1,602,858	\$ 3,435	\$ 1,606,293
Basic and diluted weighted average shares outstanding, Common stock subject to possible redemption	27,099,153	(27,727)	27,071,426
Basic and diluted net income per share, Common stock subject to possible redemption	0.07	0.00	0.07
Basic and diluted weighted average shares outstanding, Common stock	8,382,499	33,076	8,415,575
Basic and diluted net income per share, Common stock	(0.04)	0.00	(0.04)

**Statement of Operations for the Three months ended September 30, 2020 (unaudited)**

Net income (loss)	\$ (101,287)	\$ 53,242	\$ (48,045)
Basic and diluted weighted average shares outstanding, Common stock subject to possible redemption	27,110,573	(50,765)	27,059,808
Basic and diluted net income per share, Common stock subject to possible redemption	0.00	0.00	0.00
Basic and diluted weighted average shares outstanding, Common stock	8,387,847	39,345	8,427,192
Basic and diluted net income per share, Common stock	(0.01)	0.00	(0.01)

**Statement of Operations for the Nine months ended September 30, 2020 (unaudited)**

Net income	\$ 1,501,571	\$ 56,677	\$ 1,558,248
Basic and diluted weighted average shares outstanding, Common stock subject to possible redemption	27,110,573	(43,048)	27,067,525
Basic and diluted net income per share, Common stock subject to possible redemption	0.07	0.00	0.07
Basic and diluted weighted average shares outstanding, Common stock	8,384,294	35,181	8,419,475
Basic and diluted net income per share, Common stock	(0.06)	0.01	(0.05)

**Statement of Operations for the Year ended December 31, 2020 (audited)**

Net Income (loss)	\$ 1,375,461	\$ (3,799,110)	\$ (2,423,649)
Basic and diluted weighted average shares outstanding, Common stock subject to possible redemption	27,104,439	(34,925)	27,069,514
Basic and diluted net income per share, Common stock subject to possible redemption	0.08	(0.01)	0.07
Basic and diluted weighted average shares outstanding, Common stock	8,382,317	34,924	8,417,241
Basic and diluted net income per share, Common stock	(0.08)	(0.45)	(0.53)

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**Cash Flow Statement for the Period from March 7, 2019 (inception) to March 31, 2019**  
**(unaudited)**

Net income (loss)	\$ 283,325	\$ (48,090)	\$ 235,235
Change in fair value of warrant liability	--	48,090	48,090
Initial classification of warrant liability	--	432,810	432,810
Initial classification of common stock subject to possible redemption	271,835,860	(432,810)	271,403,050
Change in value of common stock subject to possible redemption	283,768	(48,090)	235,678

**Cash Flow Statement for the Period from March 7, 2019 (inception) to June 30, 2019**  
**(unaudited)**

Net income (loss)	\$ 1,548,134	\$ (103,050)	\$ 1,445,084
Change in fair value of warrant liability	--	103,050	103,050
Initial classification of warrant liability	--	432,810	432,810
Initial classification of common stock subject to possible redemption	271,835,860	(432,810)	271,403,050
Change in value of common stock subject to possible redemption	1,548,582	(105,050)	1,445,532

**Cash Flow Statement for the Period from March 7, 2019 (inception) to September 30, 2019**  
**(unaudited)**

Net income (loss)	\$ 2,444,728	\$ (89,310)	\$ 2,355,418
Change in fair value of warrant liability	--	89,310	89,310
Initial classification of warrant liability	--	432,810	432,810
Initial classification of common stock subject to possible redemption	271,835,860	(432,810)	271,403,050
Change in value of common stock subject to possible redemption	2,445,171	(89,310)	2,355,861

**Cash Flow Statement for the Period from March 7, 2019 (inception) to December 31, 2019**  
**(audited)**

Net income	\$ 3,367,179	\$ 27,480	\$ 3,394,659
Change in fair value of warrant liability	--	(27,480)	(27,480)
Initial classification of warrant liability	--	432,810	432,810
Initial classification of common stock subject to possible redemption	271,835,860	(432,810)	271,403,050
Change in value of common stock subject to possible redemption	3,367,620	27,480	3,395,100

**Cash Flow Statement Three months ended March 31, 2020 (unaudited)**

Net income	\$ 1,766,055	\$ 137,400	\$ 1,903,455
Change in fair value of warrant liability	--	137,400	137,400
Change in value of common stock subject to possible redemption	1,766,062	137,400	1,903,462

**Cash Flow Statement Six months ended June 30, 2020 (unaudited)**

Net income	\$ 1,602,858	\$ 3,435	\$ 1,606,293
Change in fair value of warrant liability	--	3,435	3,435
Change in value of common stock subject to possible redemption	1,602,866	3,435	1,606,301

**Cash Flow Statement Nine months ended September 30, 2020 (unaudited)**

Net income	\$ 1,501,571	\$ 56,667	\$ 1,558,248
Change in fair value of warrant liability	--	56,667	56,667
Change in value of common stock subject to possible redemption	1,501,578	56,667	1,558,245

**Cash Flow Statement Year Ended December 31, 2020 (unaudited)**

Net income (loss)	\$ 1,375,461	\$ (3,799,110)	\$ (2,423,649)
Change in fair value of warrant liability	--	(3,799,110)	(3,799,110)
Change in value of common stock subject to possible redemption	1,342,784	3,799,114	(2,456,330)

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**NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America (“GAAP”) and pursuant to the rules and regulations of the SEC.

***Emerging Growth Company***

The Company is an “emerging growth company,” as defined in Section 2(a) of the Securities Act of 1933, as amended (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 financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

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

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***Cash and Cash Equivalents***

The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents. The Company did not have any cash equivalents as of December 31, 2020 and 2019.

***Cash and Marketable Securities Held in Trust Account***

At December 31, 2020 and 2019, the assets held in the Trust Account were substantially held in U.S. Treasury Bills. During the year ended December 31, 2020 and 2019, the Company withdrew \$479,473 and \$938,000 of interest income from the Trust Account, respectively, to pay its franchise and income tax obligations.

***Warrant Liability***

The Company accounts for warrants in accordance with the guidance contained in ASC 815-40-15-7D under which the warrants do not meet the criteria for equity treatment and must be recorded as liabilities. As the Private Warrants meet the definition of a derivative as contemplated in ASC 815, the Company classifies the Private Warrants as liabilities at their fair value and adjusts the Private Warrants to fair value at each reporting period. This liability is subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in our statement of operations. The Private Warrants for periods where no observable traded price was available were valued using a binomial lattice model. For periods subsequent to the detachment of the Private Warrants from the Units, the Public Warrant quoted market price was used as the fair value as of each relevant date (see Note 12).

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

The Company accounts for its common stock subject to possible redemption in accordance with the guidance in Accounting Standards Codification (“ASC”) Topic 480 “Distinguishing Liabilities from Equity.” Common stock subject to mandatory redemption is classified as a liability instrument and is measured at fair value. Conditionally redeemable common stock (including common stock that feature redemption rights that is either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company’s control) is classified as temporary equity. At all other times, common stock is classified as stockholders’ equity. The Company’s common stock features certain redemption rights that are considered to be outside of the Company’s control and subject to occurrence of uncertain future events. Accordingly, common stock subject to possible redemption is presented at redemption value as temporary equity, outside of the stockholders’ equity section of the Company’s balance sheets.

***Income Taxes***

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

ASC 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. There were no unrecognized tax benefits and no amounts accrued for interest and penalties as of December 31, 2020 and 2019. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position. The Company is subject to income tax examinations by major taxing authorities since inception.

On March 27, 2020, the CARES Act was enacted in response to COVID-19 pandemic. Under ASC 740, the effects of changes in tax rates and laws are recognized in the period which the new legislation is enacted. The CARES Act made various tax law changes including among other things (i) increasing the limitation under Section 163(j) of the Internal Revenue Code of 1986, as amended (the “IRC”) for 2019 and 2020 to permit additional expensing of interest (ii) enacting a technical correction so that qualified improvement property can be immediately expensed under IRC Section 168(k), (iii) making modifications to the federal net operating loss rules including permitting federal net operating losses incurred in 2018, 2019, and 2020 to be carried back to the five preceding taxable years in order to generate a refund of previously paid income taxes and (iv) enhancing the recoverability of alternative minimum tax credits.

***Net Income (Loss) Per Common Share***

Net income (loss) per share is computed by dividing net income by the weighted-average number of shares of common stock outstanding during the period.



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The Company's statement of operations includes a presentation of income per share for common shares subject to possible redemption in a manner similar to the two-class method of loss per share. Net income per common share, basic and diluted, for Common stock subject to possible redemption is calculated by dividing the proportionate share of income on marketable securities held by the Trust Account, net of applicable franchise and income taxes, by the weighted average number of Common stock subject to possible redemption outstanding since original issuance.

Net loss per share, basic and diluted, for non-redeemable common stock is calculated by dividing the net income, adjusted for income on marketable securities attributable to Common stock subject to possible redemption, by the weighted average number of non-redeemable common stock outstanding for the period.

Non-redeemable common stock includes Founder Shares and non-redeemable shares of common stock as these shares do not have any redemption features. Non-redeemable common stock participates in the income on marketable securities based on non-redeemable common stock shares' proportionate interest.

	<b>Year Ended</b>	
	<b>December 31,</b>	
	<b>2020</b>	<b>2019</b>
<i>Common stock subject to possible redemption</i>		
Numerator: Earnings allocable to Common stock subject to possible redemption		
Interest earned on marketable securities held in Trust Account	\$ 2,565,492	\$ 4,827,854
Unrealized gain on marketable securities held in Trust Account	9,424	126,682
Less: Income and franchise taxes	(556,403)	(1,042,603)
Net income allocable to shares subject to possible redemption	<u>\$ 2,018,513</u>	<u>\$ 3,911,933</u>
Denominator: Weighted average Common stock subject to possible redemption		
Basic and diluted weighted average shares outstanding	<u>27,069,514</u>	<u>27,072,466</u>
Basic and diluted net income per common share	<u>\$ 0.07</u>	<u>\$ 0.14</u>
<i>Non-Redeemable Common Stock</i>		
Basic Loss per Share		
Numerator Net Income minus Net Earnings		
Net loss	\$ (2,423,649)	\$ 3,394,659
Less: Income attributable to common stock subject to possible redemption	(2,018,513)	(3,911,933)
Non-Redeemable Net Loss	<u>\$ (4,442,162)</u>	<u>\$ (517,274)</u>
Denominator: Weighted Average Non-Redeemable Common Stock		
Basic weighted average shares outstanding	<u>8,417,241</u>	<u>7,969,549</u>
Basic net loss per common share	<u>\$ (0.53)</u>	<u>\$ (0.06)</u>
Diluted Loss per Share		
Numerator: Non-Redeemable Net Loss minus Change in fair value of warrant liability		
Non-Redeemable Net Loss – Basic	\$ (4,442,162)	\$ (517,274)
Less: Change in fair value of warrant liability	--	27,480
Non-Redeemable Net Loss – Diluted	<u>\$ (4,442,162)</u>	<u>\$ (544,754)</u>
Denominator: Weighted Average Non-Redeemable Common Stock		
Diluted weighted average shares outstanding <sup>(1)</sup>	<u>8,417,241</u>	<u>7,969,549</u>
Diluted net loss per common share	<u>\$ (0.53)</u>	<u>\$ (0.07)</u>

(1) As of March 31, 2021 and 2020, diluted shares do not include the effect of warrants to purchase 28,287,000 shares of common stock as the inclusion of such warrants would be anti-dilutive.

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***Concentration of Credit Risk***

Financial instruments that potentially subject the Company to concentrations of credit risk consist of a cash account in a financial institution which, at times may exceed the Federal Depository Insurance Coverage of \$250,000. The Company has not experienced losses on this account and management believes the Company is not exposed to significant risks on such account.

***Fair Value of Financial Instruments***

The fair value of the Company's assets and liabilities, which qualify as financial instruments under ASC 820, "Fair Value Measurement," approximates the carrying amounts represented in the accompanying balance sheets, primarily due to their short-term nature, except for the Private Warrants (see Note 11).

***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.

***Derivative Financial Instruments***

The Company evaluates its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives in accordance with ASC Topic 815, "Derivatives and Hedging". For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value on the grant date and is then re-valued at each reporting date, with changes in the fair value reported in the statements of operations. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement or conversion of the instrument could be required within 12 months of the balance sheet date.

***Recently Issued Accounting Standards***

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

**NOTE 4. INITIAL PUBLIC OFFERING**

On March 7, 2019, the Company consummated the Initial Public Offering and sold 24,000,000 units at a price of \$10.00 per Unit. Each Unit consists of one share of common stock and one warrant ("Public Warrant"). On March 12, 2019, in connection with the underwriters' exercise of the over-allotment option in full, the Company sold an additional 3,600,000 Units at a price of \$10.00 per Unit. Each Public Warrant entitles the holder to purchase one share of common stock at a price of \$11.50 per share, subject to adjustment (see Note 8).

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**NOTE 5. PRIVATE PLACEMENT**

Simultaneously with the closing of the Initial Public Offering, the Sponsor and EarlyBirdCapital and its designee purchased an aggregate of 615,000 Private Units at a price of \$10.00 per Private Unit, for an aggregate purchase price of \$6,150,000. The Sponsor purchased 500,047 Private Units and EarlyBirdCapital and its designee purchased an aggregate of 114,953 Private Units. On March 12, 2019, in connection with the underwriters' exercise of the over-allotment option in full, the purchasers purchased an aggregate of an additional 72,000 additional Private Units, of which 58,542 Private Units were purchased by the Sponsor and 13,458 Private Units were purchased by EarlyBirdCapital and its designee, for an aggregate purchase price of \$720,000. Each Private Unit consists of one share of common stock ("Private Share") and one warrant ("Private Warrant"). Each Private Warrant is exercisable to purchase one share of common stock at an exercise price of \$11.50 per share, subject to adjustment (see Note 8). The proceeds from the Private Units were added to the proceeds from the Initial Public Offering held in the Trust Account. If the Company does not complete a Business Combination within the Combination Period, the proceeds from the sale of the Private Units will be used to fund the redemption of the Public Shares (subject to the requirements of applicable law), and the Private Units and all underlying securities will be worthless.

**NOTE 6. RELATED PARTY TRANSACTIONS**

***Founder Shares***

In November 2018, the Sponsor purchased 5,750,000 shares (the "Founder Shares") of the Company's common stock for an aggregate price of \$25,000. On March 5, 2019, the Company effected a stock dividend of 0.2 shares of common stock for each outstanding share (the "Stock Dividend"), resulting in 6,900,000 Founder Shares being issued and outstanding. The 6,900,000 Founder Shares included an aggregate of up to 900,000 shares subject to forfeiture by the Sponsor to the extent that the underwriters' over-allotment was not exercised in full or in part, so that the holders of the Founder Shares would collectively own 20% of the Company's issued and outstanding shares after the Initial Public Offering (assuming the holders did not purchase any Public Shares in the Initial Public Offering and excluding the Private Units and Representative Shares (see Note 8). In connection with the underwriters' exercise of the over-allotment option in full on March 12, 2019, 900,000 Founder Shares are no longer subject to forfeiture.

The holders of the Founder Shares have agreed, subject to certain limited exceptions, not to transfer, assign or sell any of the Founder Shares until, with respect to 50% of the Founder Shares, the earlier of one year after the consummation of a Business Combination and the date on which the closing price of the common stock equals or exceeds \$12.50 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 after a Business Combination and, with respect to the remaining 50% of the Founder Shares, until the one year after the consummation of a Business Combination, or earlier, in either case, if, subsequent to a Business Combination, the Company completes a liquidation, merger, stock exchange or other similar transaction which results in all of the Company's stockholders having the right to exchange their shares of common stock for cash, securities or other property.

***Private Placement Units***

Simultaneously with the consummation of the initial public offering, the Company consummated the private placement of 687,000 Private Units at a price of \$10.00 per Private Unit, generating total proceeds of \$6,870,000. The Private Units were sold to the Sponsor and EarlyBirdCapital and its designees. The Private Units are identical to the units sold in the initial public offering, except that the warrants underlying the Private Units are non-redeemable and may be exercised on a cashless basis, in each case so long as they continue to be held by the initial purchasers or their permitted transferees. The initial purchasers have agreed not to transfer, assign or sell any of the Private Units and underlying securities until after the completion of an initial business combination.

***Administrative Service Fee***

Vogel Partners, LLP, an affiliate of Mr. Vogel, has agreed that, until the earlier of the consummation of an initial business combination or Tuscan's liquidation, it will make available to Tuscan certain general and administrative services, including office space, utilities and administrative support, as Tuscan may require from time to time. Tuscan has agreed to pay Vogel Partners, LLP \$10,000 per month for these services. Tuscan believes, based on rents and fees for similar services in the New York City metropolitan area, that the fee charged by Vogel Partners, LLP is at least as favorable as it could have obtained from an unaffiliated person. For the year ended December 31, 2020 and 2019, the Company incurred \$120,000 and \$100,000, respectively, in fees for these services. At December 31, 2020 and 2019, fees amounting to \$10,000 and \$0 is included in accounts payable and accrued expenses in the accompanying balance sheets.

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***Advance from Related Party***

The Company's Chief Executive Officer advanced the Company an aggregate of \$86,748 to be used for the payment of costs related to the Initial Public Offering. The advances were non-interest bearing, unsecured and due on demand. The advances were repaid upon the consummation of the Initial Public Offering on March 7, 2019.

***Due to Affiliate***

During the year ended December 31, 2020, an affiliate of the Company paid expenses on behalf of the Company that were mainly settled during the same period.

***Promissory Note – Related Party***

In November 2018, the Company issued an unsecured promissory note to the Company's Chief Executive Officer (the "Promissory Note"), pursuant to which the Company borrowed an aggregate principal amount of \$90,342. The Promissory Note was non-interest bearing and payable on the earlier of (i) November 1, 2019, (ii) the consummation of the Initial Public Offering or (iii) the date on which the Company determines not to proceed with the Initial Public Offering. The Promissory Note was repaid upon the consummation of the Initial Public Offering on March 7, 2019.

***Related Party Loans***

In addition, in order to finance transaction costs in connection with a Business Combination, the Sponsor or certain of 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"). If the Company completes a Business Combination, the Company will repay the Working Capital Loans out of the proceeds of the Trust Account released to the Company. Otherwise, the Working Capital Loans would be repaid only out of funds held outside the Trust Account to the extent such funds are available. In the event that a Business Combination does not close, the Company may use a portion of proceeds held outside the Trust Account to repay the Working Capital Loans, but no proceeds held in the Trust Account would be used to repay the Working Capital Loans. The Working Capital Loans would either be repaid upon consummation of a Business Combination, without interest, or, at the lender's discretion, up to \$1,500,000 of such Working Capital Loans may be convertible into units of the post Business Combination entity at a price of \$10.00 per unit. The units would be identical to the Private Units.

On April 20, 2020, the Sponsor committed to provide an aggregate of \$500,000 in loans to the Company. The loans shall be non-interest bearing, unsecured and due upon the consummation of a Business Combination. In the event that a Business Combination does not close, the loans would be repaid only out of funds held outside the Trust Account to the extent such funds are available. Otherwise, all amounts loaned to the Company would be forgiven.

On April 21, 2020, the Company issued an unsecured promissory note to the Sponsor in the aggregate amount of \$300,000 (the "Note"), of which \$200,000 was drawn upon on such date. The Note is non-interest bearing and payable upon the consummation of a Business Combination. The Note is convertible, at the lender's option, into units of the post Business Combination entity at a price of \$10.00 per unit. The units would be identical to the Private Units. If a Business Combination is not consummated, the notes will not be repaid by the Company and all amounts owed thereunder by the Company will be forgiven except to the extent that the Company has funds available to it outside of its Trust Account. As of December 31, 2020, there was \$200,000 outstanding under the Note.

**NOTE 7. COMMITMENTS**

***Registration Rights***

Pursuant to a registration rights agreement entered into on March 7, 2019, the holders of the Founder Shares, Representative Shares, Private Units, and any units that may be issued upon conversion of Working Capital Loans (and all underlying securities) are entitled to registration rights. The holders of the majority of these securities are entitled to make up to two demands that the Company register such securities. The holders of the majority of the Founder Shares can elect to exercise these registration rights at any time commencing three months prior to the date on which the Founder Shares are to be released from escrow. The holders of a majority of the Representative Shares, Private Units or units issued in payment of working capital loans made to the Company (or underlying securities) can elect to exercise these registration rights at any time commencing after the Company consummates a Business Combination. Notwithstanding anything to the contrary, EarlyBirdCapital and its designee may only make a demand on one occasion and only during the five-year period beginning on the effective date of the Initial Public Offering. In addition, the holders have certain "piggy-back" registration rights with respect to registration statements filed subsequent to the consummation of a Business Combination; provided, however, that EarlyBirdCapital and its designee may participate in a "piggy-back" registration only during the seven-year period beginning on the effective date of the Initial Public Offering. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

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***Business Combination Marketing Agreement***

The Company has engaged EarlyBirdCapital as an advisor in connection with a Business Combination to assist the Company in holding meetings with its shareholders to discuss the potential Business Combination and the target business' attributes, introduce the Company to potential investors that are interested in purchasing the Company's securities in connection with a Business Combination, assist the Company in obtaining shareholder approval for the Business Combination and assist the Company with its press releases and public filings in connection with the Business Combination. The Company will pay EarlyBirdCapital a cash fee for such services upon the consummation of a Business Combination in an amount equal to \$9,660,000 (exclusive of any applicable finders' fees which might become payable); provided that up to 30% of the fee may be allocated at the Company's sole discretion to other FINRA members that assist the Company in identifying and consummating a Business Combination.

***Engagement of Morgan Stanley***

We engaged Morgan Stanley & Co. LLC ("Morgan Stanley") to provide financial advisory services in connection with the Microvast business combination, and, upon consummation of the transaction with Microvast, we must pay that firm a transaction fee of \$5.5 million, plus expenses. Morgan Stanley also acted as placement agent in connection with the PIPE Financing, and we are obligated to pay Morgan Stanley a placement fee equal to (i) 3.5% of the sum of (x) the aggregate gross proceeds raised in the PIPE Financing up to \$300 million (not including funds from the sale of certain excluded securities) and (y) any borrowings pursuant to a bridge financing provided in connection with the proposed business combination by investors introduced by Morgan Stanley, and (ii) 2.5% of the aggregate gross proceeds raised in the PIPE Financing above \$300 million.

**NOTE 8. STOCKHOLDERS' EQUITY**

***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 designation, rights and preferences as may be determined from time to time by the Company's board of directors. At December 31, 2020 and 2019, there were no shares of preferred stock issued or outstanding.

***Common Stock*** — The Company is authorized to issue 65,000,000 shares of common stock with a par value of \$0.0001 per share. Holders of the common stock are entitled to one vote for each share. At December 31, 2020 and 2019, there were 8,808,069 and 8,400,476 shares of common stock issued and outstanding, excluding 26,675,733 and 27,086,524 shares of common stock subject to possible redemption, respectively.

***Representative Shares***

In November 2018, the Company issued to the designees of EarlyBirdCapital, for a nominal consideration, 300,000 shares (after giving effect to the Stock Dividend) of common stock (the "Representative Shares"). The Company accounted for the Representative Shares as an offering cost of the Initial Public Offering, with a corresponding credit to stockholders' equity. The Company estimated the fair value of Representative Shares to be \$1,200 based upon the price of the Founder Shares issued to the Sponsor. The holders of the Representative Shares have agreed not to transfer, assign or sell any such shares until the completion of a Business Combination. In addition, the holders have agreed (i) to waive their redemption rights (or to sell any shares in a tender offer) with respect to such shares in connection with the completion of a Business Combination and (ii) to waive their rights to liquidating distributions from the Trust Account with respect to such shares if the Company fails to complete a Business Combination within the Combination Period.

**NOTE 9. WARRANTS**

The Public Warrants will become exercisable 30 days after the completion of a Business Combination. No warrants will be exercisable for cash unless the Company has an effective and current registration statement covering the shares of common stock issuable upon exercise of the warrants and a current prospectus relating to such shares of common stock. Notwithstanding the foregoing, if a registration statement covering the shares of common stock issuable upon exercise of the public warrants is not effective within 90 days following the consummation of a Business Combination, warrant holders may, until such time as there is an effective registration statement and during any period when the Company shall have failed to maintain an effective registration statement, exercise warrants on a cashless basis pursuant to the exemption provided by Section 3(a)(9) of the Securities Act, provided that such exemption is available. If that exemption, or another exemption, is not available, holders will not be able to exercise their warrants on a cashless basis. The Public Warrants will expire five years after the completion of a Business Combination or earlier upon redemption or liquidation.

**TUSCAN HOLDINGS CORP.**  
**NOTES TO FINANCIAL STATEMENTS**  
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Once the Public 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;
- if, and only if, the reported last sale price of the Company's common stock equals or exceeds \$18.00 per share for any 20 trading days within a 30-trading day period ending on the third business day prior to the notice of redemption to the warrant holders; and
- if, and only if, there is a current registration statement in effect with respect to the shares of common stock underlying the warrants.

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 Private Warrants are identical to the Public Warrants underlying the Units sold in the Initial Public Offering, except that the Private Warrants will be exercisable for cash or on a cashless basis, at the holder's option, and be non-redeemable so long as they are held by the initial purchasers or their permitted transferees. If the Private Warrants are held by someone other than the initial purchasers or their permitted transferees, the Private Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants. In addition, so long as the Private Warrants are held by EarlyBirdCapital and its designee, the Private Warrants will expire five years from the effective date of the Initial Public Offering.

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 shares of common stock or equity-linked securities for capital raising purposes in connection with the closing of an initial Business Combination at an issue price or effective issue price of less than \$9.50 per share of common stock (with such issue price or effective issue price to be determined in good faith by the Company's board of directors, and in the case of any such issuance to our Sponsor, initial stockholders or their affiliates, without taking into account any founders' shares held by them prior to such issuance), (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 an initial Business Combination on the date of the consummation of an initial Business Combination (net of redemptions), and (z) the volume weighted average trading price of the common stock during the 20 trading day period starting on the trading day prior to the day on which the Company consummated an initial Business Combination (such price, the "Market Value") is below \$9.50 per share, the exercise price of the warrants will be adjusted (to the nearest cent) to be equal to 115% of the greater of (i) the Market Value or (ii) the price at which the Company issues the additional shares of common stock or equity-linked securities.

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**NOTE 10. INCOME TAX**

The Company's net deferred tax liability are as follows:

	<u>December 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Deferred tax liability		
Unrealized gain on marketable securities	\$ (21,468)	\$ (27,069)
Total deferred tax liability	(21,468)	(27,069)
Valuation Allowance	—	—
Deferred tax liability	<u>\$ (21,468)</u>	<u>\$ (27,069)</u>

The income tax provision consists of the following:

	<u>December 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Federal		
Current	\$ 372,365	\$ 868,182
Deferred	(5,601)	27,069
State and Local		
Current	—	—
Deferred	—	—
Change in valuation allowance	—	—
Income tax provision	<u>\$ 366,764</u>	<u>\$ 895,251</u>

As of December 31, 2020 and 2019, the Company did not have any of U.S. federal and state net operating loss carryovers available to offset future taxable income.

A reconciliation of the federal income tax rate to the Company's effective tax rate is as follows:

	<u>December 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Statutory federal income tax rate	21.0%	21.0%
State taxes, net of federal tax benefit	0.0%	0.0%
True-ups	0.00%	0.00%
Change in fair value of warrant liability	(38.8)%	(0.7)%
Income tax provision	<u>(17.8)%</u>	<u>20.3%</u>

The Company files income tax returns in the U.S. federal jurisdiction and is subject to examination by the various taxing authorities. The Company's tax returns since inception remain open to examination by the taxing authorities. The Company considers New York to be a significant state tax jurisdiction.

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**NOTE 11. FAIR VALUE MEASUREMENTS**

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

The following table presents information about the Company's assets and liabilities that are measured at fair value on a recurring basis at December 31, 2020 and 2019 and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

<b>Description</b>	<b>Level</b>	<b>December 31, 2020</b>	<b>December 31, 2019</b>
<b>Assets:</b>			
Cash and marketable securities held in Trust Account	1	\$ 282,254,978	\$ 280,103,245
<b>Liabilities:</b>			
Warrant Liability – Private Warrants	3	4,204,440	405,330

The Private Warrants were accounted for as liabilities in accordance with ASC 815-40 and are presented within warrant liabilities on the balance sheet. The warrant liabilities are measured at fair value at inception and on a recurring basis, with changes in fair value presented within change in fair value of warrant liabilities in the statement of operations.

The Private Warrants were initially valued using a binomial lattice, which is considered to be a Level 3 fair value measurement. For periods subsequent to the detachment of the Public Warrants from the Units, the Public Warrant quoted market price was used as the fair value as of each relevant date.

The binomial lattice model's primary unobservable input utilized in determining the fair value of the Private Warrants is the expected volatility of the common stock. The expected volatility as of the Initial Public Offering date was derived from observable public warrant pricing on comparable 'blank-check' companies without an identified target. The expected volatility as of subsequent valuation dates was implied from the Company's own public warrant pricing.

As of issuance and March 31, 2019, the estimated fair value of the Private Warrants was determined using a Monte Carlo simulation and based upon the following significant inputs:

	<b>March 7, 2019 (Issuance Date)</b>	<b>March 31, 2019</b>
Exercise price	\$ 11.50	\$ 11.50
Stock price	\$ 9.29	\$ 9.76
Volatility	10.6%	8.7%
Term	5.00	5.00
Risk-free rate	2.48%	2.26%
Dividend yield	0.0%	0.00%

There were no transfers in or out of Level 3 from other levels in the fair value hierarchy during the years ended December 31, 2020 and 2019.

The following table presents the changes in the fair value of warrant liabilities:

	<b>Private Placement</b>
Fair value as of January 1, 2019	\$ —
Initial measurement on March 5, 2019 (including over-allotment)	432,810
Change in valuation inputs or other assumptions	(27,480)
Fair value as of December 31, 2019	405,330
Change in valuation inputs or other assumptions	3,799,110
Fair value as of December 31, 2020	<u>\$ 4,204,440</u>

**NOTE 12. SUBSEQUENT EVENTS**

The Company evaluated subsequent events and transactions that occurred after the balance sheet date up to the date that the financial statements were issued. Based upon this review, other than as described below and in Note 2, the Company did not identify any subsequent events that would have required adjustment in the financial statements.



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*Proposed Business Combination*

On February 1, 2021, Tuscan entered into an agreement and plan of merger (the “Merger Agreement”) with Microvast, Inc., a Delaware corporation (“Microvast”) and Merger Sub. Pursuant to the Merger Agreement, Merger Sub will merge with and into Microvast and Microvast will survive the merger and become a wholly owned subsidiary of Tuscan. Under the Merger Agreement, all of the equity interests of Microvast will be converted into an aggregate of 210,000,000 shares of common stock (“closing shares”). The Microvast shareholders and the investors in Microvast’s majority-owned subsidiary, Microvast Power System (Houzhou) Co. Ltd. (“MPS”), will also have the ability to earn an additional 20,000,000 shares of common stock (“earnout shares”) if the daily volume weighted average price of the common stock is greater than or equal to \$18.00 for any 20 trading days within a 30 trading day period (or a change of control occurs that results in the holders of common stock receiving a per share price equal to or in excess of \$18.00), during the period commencing on the closing date and ending on the third anniversary of the closing date. Concurrently with the execution of the Merger Agreement, Tuscan and Microvast will jointly acquire 100% ownership of MPS and will discharge certain convertible loans of MPS.

The Merger will be accounted for as a reverse recapitalization in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Under this method of accounting, Tuscan will be treated as the “acquired” company for accounting purposes and the Business Combination will be treated as the equivalent of Microvast issuing stock for the net assets of Tuscan, accompanied by a recapitalization. The net assets of Tuscan will be stated at historical cost, with no goodwill or other intangible assets recorded.

Additionally, the Merger Agreement provides that Tuscan will issue an aggregate of 6,736,111 shares of common stock upon conversion (the “Bridge Notes Conversion”) of an aggregate of \$57,500,000 outstanding promissory notes issued by Microvast.

Further, on February 1, 2021, Tuscan, the Sponsor, Microvast and certain stockholders of Tuscan entered into the Sponsor Support Agreement (the “Sponsor Support Agreement”), pursuant to which the Sponsor and certain officers and directors of Tuscan (collectively, the “Sponsor Group”) agreed, among other things, to vote all equity interests of Tuscan held by such member of the Sponsor Group in favor of the approval and adoption of the proposed business combination with Microvast. Additionally, such members of the Sponsor Group have agreed not to (a) transfer any of their equity interests in the Company (or enter into any arrangement with respect thereto) other than as set forth therein or (b) exercise any conversion rights of any equity interests held by such member of the Sponsor Group in connection with the approval of the proposed business combination.

The Sponsor also agreed that, to the extent that certain expenses of Tuscan are in excess of \$46,000,000 (unless such expenses shall have been approved by Microvast), the Sponsor will either (i) pay any such excess amount in cash or (ii) forfeit to Tuscan such number of shares of common stock held by the Sponsor that would have a value equal to such excess. The Sponsor also agreed to amend the escrow agreement to make certain adjustments to the terms of the escrow of its shares of common stock as set forth in the Sponsor Support Agreement.

Contemporaneously with the execution of the Merger Agreement, certain investors entered into subscription agreements (the “Subscription Agreements”), pursuant to which such investors subscribed for an aggregate value of \$482,500,000, representing 48,250,000 shares of Tuscan common stock at a purchase price of \$10.00 per share in a private placement (the “PIPE Financing”) to be consummated immediately prior to the consummation of the Transactions. Affiliates of InterPrivate, an advisor to the Sponsor, subscribed to purchase 6.5 million shares in the PIPE Financing for an aggregate purchase price of \$65 million.

Immediately following the Closing, the former equityholders of Microvast will hold approximately 69.9% of the issued and outstanding shares of common stock and the current stockholders of Tuscan will hold approximately 9.2% of the issued and outstanding shares of common stock, which pro forma ownership (1) assumes no holder of the common stock sold in Tuscan’s initial public offering (such persons, the “Public Stockholders”) exercises its conversion rights in connection with the business combination, and (2) reflects the issuance of an aggregate of 48,250,000 shares of Common Stock in the PIPE Financing and 6,736,111 shares of common stock in the Bridge Notes Conversion, but does not include the effect of any other financing of Tuscan. If the maximum number of Public Shares are converted into cash such that Microvast does not have the right to terminate the Merger Agreement (i.e., Tuscan has at least \$5,000,001 of net tangible assets immediately prior to or upon consummation of the business combination), such percentages will be approximately 76.8% and 0.2%, respectively.

Consummation of the proposed business combination is subject to customary conditions and covenants of the respective parties, including approval of Tuscan’s stockholders and Tuscan having available cash of at least \$250,000,000.

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*Extension Amendment*

On March 12, 2021, Tuscan filed a preliminary proxy statement seeking approval from its stockholders to amend Tuscan's charter to further extend the date by which Tuscan is required to complete its initial business combination from April 30, 2021 to July 31, 2021 and to hold an annual meeting for the election of directors in accordance with Nasdaq listing rules. On April 28, 2021, Tuscan convened its annual meeting of stockholders (the "Annual Meeting") virtually. At the Annual Meeting, Tuscan's shareholders approved a proposal to elect Amy Butte as a Class I director, and approved a proposal to adjourn the Annual Meeting to a later date if there had been insufficient votes at the time of the Annual Meeting to approve the proposal to extend the date by which Tuscan must complete its initial business combination from April 30, 2021 to July 31, 2021 (the "Extension Amendment Proposal"). The Annual Meeting was adjourned to May 10, 2021 solely with respect to the voting on the Extension Amendment Proposal.

At the time the Annual Meeting was convened on April 28, 2021, a quorum representing at least a majority of shares outstanding on the record date of March 17, 2021 was present in person or by proxy. However, Tuscan had not received the approval of holders of 65% of its shares outstanding on the record date then necessary to approve the Extension Amendment Proposal, as provided in Article Sixth of Tuscan's certificate of incorporation ("Article Sixth"). According to Article Sixth, as of May 1, 2021, the vote required for approval of the Extension Amendment Proposal will be reduced from 65% of the shares outstanding to a majority of the shares outstanding on the record date, based on the following provisions. Article Sixth provides that at any time during the "Target Business Acquisition Period," any amendment to Article Sixth requires the affirmative vote of the holders of at least 65% of the then outstanding shares of common stock. The "Target Business Acquisition Period" ends on the "Termination Date," which is defined in Article Sixth as April 30, 2021. Therefore, the 65% vote threshold in Article Sixth will no longer apply as of May 1, 2021, and the Extension Amendment Proposal may be approved by a majority of the shares outstanding on the record date. On May 10, 2021, Tuscan reconvened the Annual Meeting, at which the Extension Amendment Proposal was approved by Tuscan's stockholders. Following the Annual Meeting, Tuscan filed an amendment to its certificate of incorporation extending the date by which Tuscan must complete its initial business combination from April 30, 2021 to July 31, 2021.

*Loan Commitment*

On February 12, 2021, the Sponsor extended a loan to Tuscan in the aggregate principal amount totaling \$1.2 million, of which \$400,000 was drawn upon on such date. This loan was in addition to the previous \$200,000 drawn upon the \$300,000 convertible note that was committed by the Sponsor on April 21, 2020. As a result of the February 12, 2021 commitment, the Sponsor had committed to the Company a total of \$1.5 million, of which a total of \$600,000 has been drawn upon, with \$400,000 of the drawn amount pursuant to the February 12, 2021 note. The Sponsor intends to convert the \$1.5 million total loan balance into 150,000 Units immediately prior to the closing of the proposed business combination with Microvast. Such Units will have terms identical to the terms of the Company's Private Units and will consist of (i) 150,000 shares of common stock and (ii) warrants to purchase 150,000 shares of common stock at an exercise price of \$11.50 per share, subject to adjustment.

*Nasdaq Notification*

On January 6, 2021, the Company received a notice from the Listing Qualifications Department of The Nasdaq Stock Market stating that we failed to hold an Annual Meeting of stockholders within 12 months after our fiscal year ended December 31, 2019, as required by Nasdaq Listing Rule 5620(a). In accordance with Nasdaq Listing Rule 5810(c)(2)(G), the Company submitted a plan to regain compliance on February 4, 2021. Nasdaq accepted the plan and granted the Company an extension through June 29, 2021 to hold an annual meeting. Nasdaq's decision is subject to certain conditions, including that the Company provide periodic updates with respect to its proposed business combination with Microvast. On April 28, 2021, the Company held an annual meeting of stockholders, in compliance with the plan.

On May 28, 2021, the Company received a notice from the Listing Qualifications Department of The Nasdaq Stock Market stating that because we failed to timely file our Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 ("Form 10-Q"), we were not in compliance with Nasdaq Listing Rule 5250(c)(1). The Company has until July 26, 2021 to submit a plan to regain compliance with the listing rule, provided that the Company will not be required to submit a plan if the Form 10-Q is filed before such date. While we intend to file the Form 10-Q prior to such date and regain compliance with the listing rule, there can be no assurance that we will be able to do so.

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Stephen A. Vogel, certify that:

1. I have reviewed this Amendment No. 1 to the Annual Report on Form 10-K/A of Tuscan Holdings 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 my supervision, to ensure that material information relating to the registrant, is made known to us by others within those entities, particularly during the period in which this report is being prepared; and
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my 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; and
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 28, 2021

/s/ Stephen A. Vogel  
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Stephen A. Vogel  
Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Ruth Epstein, certify that:

1. I have reviewed this Amendment No. 1 to the Annual Report on Form 10-K/A of Tuscan Holdings 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 my supervision, to ensure that material information relating to the registrant, is made known to us by others within those entities, particularly during the period in which this report is being prepared; and
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my 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; and
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 28, 2021

/s/ Ruth Epstein

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Ruth Epstein  
Chief Financial Officer  
(Principal Financial and Accounting Officer)

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

In connection with the Amendment No. 1 to the Annual Report of Tuscan Holdings Corp. (the "Company") on Form 10-K/A for the year ended December 31, 2020 as filed with the Securities and Exchange Commission (the "Report"), each of the undersigned, in the capacities and on the dates indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: May 28, 2021

/s/ Stephen A. Vogel

Stephen A. Vogel  
Chief Executive Officer  
(Principal Executive Officer)

/s/ Ruth Epstein

Ruth Epstein  
Chief Financial Officer  
(Principal Financial Officer)