

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

**POST-EFFECTIVE  
AMENDMENT NO. 2 TO  
FORM S-1  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

**SEQLL INC.**

(Exact name of registrant as specified in its charter)

<b>Delaware</b>	<b>3826</b>	<b>46-5319744</b>
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

**3 Federal Street  
Billerica, MA 01821  
(781) 460-6016**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Daniel Jones  
Chief Executive Officer  
3 Federal Street  
Billerica, MA 01821  
(781) 460-6016**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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**Approximate date of commencement of proposed sale to the public:**

As soon as practicable after this Registration Statement is declared effective.

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

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

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

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

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

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

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

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission acting pursuant to said Section 8(a), may determine.**

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

**SUBJECT TO COMPLETION, DATED MAY 1, 2024**

**PRELIMINARY PROSPECTUS**



**A T L A N T I C**  
**I N T E R N A T I O N A L**

**(Currently SeqLL Inc.)**

**\$20,000,000**

**2,000,000 Units**

**Each Unit consisting of:**

**One share of Common Stock**

**One Series A Warrant to purchase one share of Common Stock**

**One Series B Warrant to purchase one share of Common Stock**

**2,000,000 Pre-Funded Units**

**Each Pre-Funded Unit consisting of:**

**One Pre-Funded Warrant to purchase one share of Common Stock**

**One Series A Warrant to purchase one share of Common Stock**

**One Series B Warrant to purchase one share of Common Stock**

**One share of Common Stock**

**Underlying Each Series A Warrant and Series B Warrant**

We are offering in a firm commitment underwritten offering 2,000,000 units (the “Units”), each Unit consisting of: (i) one share of common stock, par value \$0.00001 per share; and (ii) one Series A Warrant to purchase one share of common stock (a “Series A Warrant”); and (iii) one Series B Warrant to purchase one share of common stock (a “Series B Warrant”). Each Series A Warrant is exercisable at an exercise price of \$13.00 per share (130% of the offering price per Unit), subject to reset as described below, and each Series B Warrant is exercisable at an exercise price of \$20.00 per share (200% of the offering price per Unit). Each Series A Warrant and each Series B Warrant will be immediately exercisable from the date of issuance and will expire five years after the date we receive stockholder approval of the exercise price reset provisions in the Series A Warrants and the alternative cashless exercise provisions in the Series B Warrants (“Stockholder Approval”). We are offering each Unit at an assumed public offering price of \$10.00 per Unit.

We are also offering to those purchasers, if any, whose purchase of Units in this offering would otherwise result in such purchaser, together with its affiliates and certain related parties, beneficially owning more than 4.99% of our outstanding common stock immediately following the consummation of this offering, the opportunity, in lieu of purchasing Units, to purchase pre-funded units (“Pre-Funded Units”), each consisting of a pre-funded warrant to purchase one share of our common stock (a “Pre-Funded Warrant”), a Series A Warrant and a Series B Warrant. Each Pre-Funded Warrant will be exercisable for one share of our common stock (subject to adjustment as provided for therein) at any time at the option of the holder until such Pre-Funded Warrant is exercised in full, provided that the holder will be prohibited from exercising Pre-Funded Warrants for shares of our common stock if, as a result of such exercise, the holder, together with its affiliates, would own more than 4.99%, of the total number of shares of our common stock then issued and outstanding. However, any holder may increase such percentage not in excess of 9.99%, provided that any increase in such percentage shall not be effective until 61 days after such notice to us. The purchase price of each Pre-Funded Unit will equal the price at which the Units are being sold to the public in this offering, minus \$0.0001, and the exercise price of each Pre-Funded Warrant will equal \$0.0001 per share of common stock. For each Pre-Funded Unit purchased in this offering in lieu of a Unit, we will reduce the number of Units we are offering by one.

Pursuant to this prospectus, we are also offering the shares of common stock included in the Units and the shares of common stock issuable upon the exercise of the Series A Warrants, the Series B Warrants and the Pre-Funded Warrants included in the Pre-Funded Units offered hereby. See “A Description of Securities Being Offered In This Offering” in this prospectus for more information.

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Upon approval of our new listing application filed in connection with the proposed Merger and this offering, it is expected that our common stock will be listed on the Cboe BZX Exchange Inc. (the “CBOE”) under the symbol “ATLN.” The closing of this offering is contingent upon the successful listing of our common stock on the CBOE. The Series A Warrants and the Series B Warrants will not be publicly traded on any national securities exchange or other nationally-recognized trading market although the underlying shares of common stock have been registered.

On November 13, 2023, our common stock was suspended from trading on the Nasdaq Capital Market due to our non-compliance with Nasdaq Listing Rule 5550(a)(4), which required us to have a minimum of 500,000 publicly-held shares of common stock, exclusive of shares held by officers, directors and 10% stockholders. Since that date, our common stock has traded sporadically on the OTC Pink Tier of the trading system operated by OTC Markets Group Inc. under the symbol “SEQL.” On April 30, 2024, the last bid price of our common stock was \$1.30. The public offering price of the Units offered hereby, as well as the exercise prices of the Series A Warrants and Series B Warrants, will be determined through negotiations between us and the representative of the underwriters based upon our proposed Merger (defined herein) with Lyneer Investments LLC. See “Underwriting” for a discussion of the factors that were considered in, and the method of, determining the public offering price of the Units. The assumed combined offering price of \$10.00 per Unit and the assumed Series A Warrant and Series B Warrant exercise prices of \$13.00 and \$20.00 (130% and 200%, respectively, of the public offering price), used throughout this prospectus may not be indicative of the actual offering price or exercise prices. Subject to the approval of our stockholders, the exercise price of the Series A Warrants will be reduced on each trading day (each a “Reset Date”) commencing on the third trading day immediately following the effective date of the Stockholder Approval until the 40<sup>th</sup> trading day following such effective date (the “Reset Period”) to a new exercise price equal to the lower of (i) the then exercise price, taking into account any prior reductions to the exercise price, and (ii) a price equal to 105% of the lowest per share volume weighted average price (VWAPs) of the common stock on the CBOE on any trading day during the period from the closing date of this offering to such Reset Date. In the event the Series A Warrant are exercised during the Reset Period, the “Reset Date” for such portion of the Series A Warrants being exercised shall be the date on which the Notice of Exercise is delivered and, with respect to such portion of the Series A Warrants so exercised, the Exercise Price shall not be subsequently reset during the remainder of the Reset Period (and any unexercised portion of the Series A Warrants shall remain subject to further adjustments until the end of the Reset Period).

Subject to the approval of our stockholders, the holders of a Series B Warrant may, at any time and in their sole discretion, exercise such warrants in whole or in part by means of an “alternative cashless exercise” in which a holder shall be entitled to receive, without the payment of additional consideration, a number of shares of common stock issuable upon exercise that will equal the product of (a) the number of shares of common stock that would be issuable upon exercise of such warrant in accordance with the terms of such warrant if such exercise were by means of a cash exercise rather than a cashless exercise and (b) the quotient obtained by dividing (i) the exercise price minus the lowest VWAP on any trading day during the ten trading days immediately prior to the applicable exercise date by (ii) 50% of the lowest VWAP on any trading day during the ten trading days immediately prior to the applicable exercise date (the “Alternative Cashless Exercise Provisions”).

The Units and the Pre-Funded Units have no stand-alone rights and will not be issued or certificated. The shares of common stock or the Pre-Funded Warrants, as the case may be, and the Series A Warrants and Series B Warrants can only be purchased together in this offering, but the securities contained in the Units or Pre-Funded Units will be issued separately. The Series A Warrants and the Series B Warrants will be immediately exercisable and will expire on the fifth anniversary of the date we receive Stockholder Approval. The existing market price for SeqLL common stock is not indicative of the market price expected following the completion of the Merger. There is no established trading market for the Series A Warrants or the Series B Warrants. We do not intend to apply for the listing of the Units, the Pre-funded Warrants, the Series A Warrants or the Series B Warrants on any national securities exchange or other nationally-recognized trading market.

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We are an “emerging growth company” as that term is used in the Jumpstart Our Business Startups Act of 2012 and a “smaller reporting company” under applicable Securities and Exchange Commission rules and, as such, we have elected to comply with certain reduced public company reporting requirements for this prospectus and future filings. See “Prospectus Summary — Implications of Being an Emerging Growth Company and a Smaller Reporting Company.”

**Investing in our securities involves a high degree of risk. See “Risk Factors” beginning on page 13 of this prospectus for a discussion of information that should be considered in connection with an investment in our securities.**

	Per Unit	Per Pre-Funded Unit	Maximum Total Amount
Public offering price	\$ 10.00	\$ 10.00	\$ 20,000,000
Underwriting discounts and commissions <sup>(1)</sup>	\$ 0.70	\$ 0.70	\$ 1,400,000
Proceeds, before expenses, to us	\$ 9.30	\$ 9.30	\$ 18,600,000

- (1) We have agreed to pay the underwriters a discount/commission equal to 7% of the initial offering price. Does not include certain out-of-pocket expenses of the underwriters that are reimbursable by us. See “Underwriting” beginning on page 110 of this prospectus for a description of the compensation payable to the underwriters.

We have granted the underwriters an option for a period of 45 days from the date of this prospectus to purchase up to an additional 300,000 shares of our common stock and/or Series A Warrants to purchase 300,000 shares of our common stock and/or Series B Warrants to purchase 300,000 shares of common stock (equal to 15% of the number of Units offered hereby and based on an assumed public offering price of \$10.00 per Unit), which may be purchased in any combination of common stock, Series A Warrants and Series B Warrants, on the same terms and conditions as set forth above to cover over-allotments, if any. If such over-allotment option is fully exercised, we will receive additional gross proceeds of \$3,000,000, less a 7% commission fee to the underwriters before expenses. See “Underwriting” for more information.

We expect that delivery of the Units and the Pre-Funded Units to the purchasers against payment will be made on or about [•], 2024, subject to customary closing conditions.

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

*Sole Book-Running Manager*



The date of this prospectus is May \_\_\_\_\_, 2024

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We have not, and the underwriters have not, authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the securities offered hereby, but only under the circumstances and in the jurisdictions where it is lawful to do so. The information contained in this prospectus or in any applicable free writing prospectus is current only as of its date, regardless of its time of delivery or any sale of our securities. Our business, financial condition, results of operations and prospects may have changed since that date.

We have not, and the underwriters have not, authorized anyone to provide you with information that is different from that contained in this prospectus or in any free writing prospectus we may authorize to be delivered or made available to you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. Neither the delivery of this prospectus nor the sale of our securities means that the information contained in this prospectus or any free writing prospectus is correct after the date of this prospectus or such free writing prospectus. This prospectus is not an offer to sell or the solicitation of an offer to buy our securities in any circumstances under which the offer or solicitation is unlawful.

For investors outside the United States: We have not, and the underwriters have not, taken any action that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the securities covered hereby and the distribution of this prospectus outside the United States.

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Unless otherwise indicated, information contained in this prospectus concerning our industry and the markets in which we operate, including our general expectations and market position, market opportunity and market share, is based on information from our own management estimates and research, as well as from industry and general publications and research, surveys and studies conducted by third parties. Management estimates are derived from publicly available information, our knowledge of our industry and assumptions based on such information and knowledge, which we believe to be reasonable. Our management estimates have not been verified by any independent source, and we have not independently verified any third-party information. In addition, assumptions and estimates of our and our industry's future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in "Risk Factors." These and other factors could cause our future performance to differ materially from our assumptions and estimates. See "Special Note Regarding Forward-Looking Statements."

We further note that the representations, warranties and covenants made by us in any agreement that is filed as an exhibit to the registration statement of which this prospectus is a part were made solely for the benefit of the parties to such agreement, including, in some cases, for the purpose of allocating risk among the parties to such agreements, and should not be deemed to be a representation, warranty or covenant to you. Moreover, such representations, warranties or covenants were accurate only as of the date when made. Accordingly, such representations, warranties and covenants should not be relied on as accurately representing the current state of our affairs.

We effected a one-for-40 reverse stock split of our common stock (the "Reverse Stock Split") on August 30, 2023. Unless otherwise indicated, the share and per share information in this prospectus is adjusted to reflect the Reverse Stock Split.

We use in this prospectus our Atlantic International logo, for which a United States trademark application will be filed. This prospectus also includes trademarks, tradenames and service marks that are the property of other organizations. Solely for convenience, trademarks and tradenames referred to in this prospectus appear (after the first usage) without the ® and ™ symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or that the applicable owner will not assert its rights, to these trademarks and tradenames.

## PROSPECTUS SUMMARY

*This summary highlights information contained in greater detail elsewhere in this prospectus and may not contain all of the information that may be important to you in making an investment decision. You should read the entire prospectus, including this summary together with the more detailed information, including our financial statements and the related notes, elsewhere in this prospectus. You should carefully consider, among other things, the matters discussed in “Risk Factors” beginning on page 13 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations of Lyneer.”*

*Unless otherwise stated or the context requires otherwise, references in this prospectus to the “Company,” “we,” “us” and “our” refer to SeqLL Inc. (to be renamed Atlantic International Corp. upon consummation of the Merger and this offering) and its consolidated subsidiaries.*

### The Company

#### Overview

We have entered into an Agreement and Plan of Reorganization dated May 29, 2023, as amended, pursuant to which our wholly-owned subsidiary, SeqLL Merger LLC (“SeqLL Merger Sub”), will merge (the “Merger”) with and into Lyneer Investments LLC (“Lyneer”), with Lyneer continuing as our wholly-owned subsidiary. In connection with the consummation of the Merger, we will sell our existing assets, other than cash and cash equivalents, which will be distributed to our pre-Merger stockholders in connection with the Merger, to a newly-formed company owned by our current employees and management, for nominal consideration, and our continuing business operations will be those of Lyneer.

Lyneer, through its operating subsidiaries, primarily Lyneer Staffing Solutions, is a national strategic staffing firm servicing the commercial, professional, finance, direct placement, and managed service provider verticals. The firm was formed under the principles of honesty and integrity, and with the view of becoming the preferred outside employer of choice. Since its formation in 1995, Lyneer has grown from a regional operation to a national staffing firm with offices and geographic reach across the United States.

Lyneer’s management believes, based on their knowledge of the industry, that Lyneer is one of the prominent and leading staffing firms in the ever-evolving staffing industry. Lyneer, headquartered in Lawrenceville, New Jersey, has over 100 total locations and approximately 300 internal employees. Its management also believes that Lyneer is an industry leader in permanent, temporary and temp-to-perm placement services in a wide variety of areas, including, but not limited to, accounting & finance, administrative & clerical, hospitality, IT, legal, light industrial and medical fields. Its deep expertise and extensive experience have helped world class companies revolutionize their operations, resulting in greater efficiency and streamlined processes. Its comprehensive suite of solutions covers all aspects of workforce management, from recruitment and hiring to time and attendance tracking, scheduling, performance management, and predictive analytics. Lyneer takes a personalized approach to each client, working closely with them to understand their unique needs and develop a tailored roadmap for success. In addition, Lyneer offers a comprehensive range of recruiting services, including temporary and permanent staffing, within the light industrial, administrative, and financial sectors. Its services are designed to meet each client’s needs, including payroll services and vendor management services/managed service provider solutions. Its extensive network of offices and onsite operations provide local support for its clients, while its national presence gives Lyneer the resources to tackle even the most complex staffing needs. With a focus on integrity, transparency and customer service and a commitment to results, we believe Lyneer has earned a reputation as one of the premier workforce solutions partners in the United States.

#### Business Model and Acquisition Strategy

Atlantic Acquisition Corp. (“Atlantic”) was formed in Delaware on October 6, 2022 as a special purpose vehicle to acquire control of a public company such as our company. The management team of Atlantic, which will become the management of our company upon consummation of this offering and the Merger, has over 150 combined years of specific corporate management and investment banking experience.

Atlantic's business strategy for our company is based upon Lyneer being a high-growth U.S.-based outsourced services and workforce solutions company with management who have a more than 25-year operating record. Based on their knowledge of the industry, Atlantic's management believes that through their mergers and acquisitions strategy, they can build our company into a global staffing organization that redefines the way companies grow professional teams. Its mission is to leverage new technologies and business partnerships to create streamlined hiring processes that resolve the challenges of modern day employment economics. Accordingly, Atlantic's management is actively engaged in discussions and negotiations with multiple acquisition targets that complement Atlantic's core business strategy. In addition, following the Merger and the closing of this offering, our strategic direction will be enhanced by a program that will extend Lyneer's breadth of services to its broad national reach in a number of complementary areas. Atlantic has identified and is focusing on a number of high-demand fields, in particular, the medical, legal and financial services fields. Atlantic is in the process of investigating a number of opportunities for acquisitions by us of staffing companies that operate in these identified sectors.

Atlantic's corporate acquisition strategy is premised on the seamless consolidation and integration of technology and back-office infrastructure, coupled with performance improvements and value creation. Its core thesis is designed to allow us to assist our client companies in the transformation of stagnation into growth to achieve sustainable results through their most important asset: people. Atlantic's goal is to create for us a business designed to deliver to our clients targeted industry talent at speed and scale while also growing the pool of in-demand talent for this same constituency. Lyneer's recruiters will provide specific and data-driven guidance, development, training, and access to jobs. Atlantic believes this approach is particularly applicable in several growth sectors, including legal and financial services, technology, and healthcare. The current climate of industry fragmentation and overall economic uncertainty create a moment that Atlantic believes is ripe for strategic consolidation. After the closing of the Merger, we intend to aggressively engage in this "M&A" strategy and to take advantage of the synergies and opportunities created by this congruence of events. By advantageously augmenting Lyneer's existing significant capabilities through acquisition, Atlantic believes we will be able to create material margin improvement.

Atlantic currently has a robust pipeline of potential acquisition targets for our company and is in negotiations and discussions with outsourced services and workforce solutions acquisition targets in key service verticals. Management of Atlantic believes that multiple targets in the \$100,000,000 revenue range are readily available for acquisition by us within a short period of time. However, Atlantic does not currently have any binding agreements, arrangements or understandings concerning any potential acquisition.

By implementing Atlantic's detailed acquisition strategy, management believes we will be able to rapidly accelerate the growth of our company, thus increasing and maximizing shareholder value. Management plans to pursue "cornerstone acquisitions" focusing on targets with robust profits, diverse client bases, large national/large regional coverage in contract/permanent staffing, executive search, recruitment process, and outsourcing. In order to meet management's "cornerstone acquisition" criterion, a company should have over \$50,000,000 in revenue and EBITDA margins of no less than 10%. In addition, management plans to pursue "tuck-in" acquisitions with a focus on acquiring high-margin niche staffing companies that can benefit from the synergies of a larger organization with increased penetration. Under its "tuck-in" program, management intends to acquire smaller profitable companies in business segments consistent with its larger anchor organizations.

Post-Merger, management plans to integrate companies and maximize synergies and economics to improve sales and lower operating costs, while, at the same time, continuing to focus and expand on its acquisition strategy of high-margin profitable outsourced services and workforce solution providers.

### **The Merger**

On May 29, 2023, we, SeqLL Merger Sub, Atlantic, Atlantic Merger LLC, a Delaware limited liability company and a majority-owned subsidiary of Atlantic ("Atlantic Merger Sub"), Lyneer, IDC Technologies, Inc., a California corporation ("IDC"), and Lyneer Management Holdings LLC, a Delaware limited liability company ("Lyneer Management"), entered into an Agreement and Plan of Reorganization (as amended, the "Merger Agreement"), pursuant to which (i) Atlantic Merger Sub will be merged with and into Lyneer, with Lyneer continuing as the surviving entity and as an approximately 44%-owned subsidiary of Atlantic, an approximately 56%-owned subsidiary of IDC (the "Lyneer Merger"), and (ii) SeqLL Merger Sub will subsequently be merged with and into Lyneer, with Lyneer continuing as the surviving entity and as our wholly-owned subsidiary (the "SeqLL Merger"). Lyneer, IDC and Atlantic are collectively referred to herein as the "Sellers."



At the effective time of the Merger, which will occur concurrently with the closing of this offering, in consideration of 100% of the membership interests of Lyneer, we will (i) pay to IDC \$16,250,000 in cash (the “Cash Consideration”), (ii) issue to (a) IDC an aggregate of 5,500,000 shares of our common stock and (b) to Atlantic 4,300,000 shares of our common stock, in each case assuming a public offering price of \$10.00 per Unit in this offering (the “Stock Consideration”), and (iii) issue to IDC a convertible promissory note (the “Merger Note,” and collectively with the Cash Consideration and the Stock Consideration, the “Merger Consideration”) in the principal amount of \$18,750,000 that will mature on July 31, 2024. The Merger Note will not bear interest and will not be convertible prior to an event of default under the Merger Note. If an event of default should occur under the Merger Note, the Merger Note will bear interest at the rate of 7% per annum commencing upon the date of such event of default and will be convertible into shares of our common stock at a price per share that equals then-current market prices, but not less than 80% of the price per share at which our common stock is sold in this offering. If the Merger Note is converted into shares of our common stock, IDC will have demand and incidental registration rights with respect to such shares. We believe we will have to sell additional equity or debt securities prior to the maturity date of the Merger Note to pay or refinance the Merger Note when due.

The Merger Agreement contains customary representations and warranties from the parties, and each party has agreed to customary covenants applicable to such party, including, among others, covenants relating to (i) the conduct of their respective businesses in the ordinary course prior to the effective time of the Merger and (ii) the requirement of each party to maintain and preserve intact their respective business organizations, assets, properties and material business relations. Pursuant to the Merger Agreement as originally executed, we were also required, prior to the closing of the Merger and this offering, to declare a cash dividend payable to our stockholders of record as of the close of business on a date to be determined, but prior to the date of pricing of this offering, in an amount equal our cash and cash equivalents as of the closing date of the Merger and this offering (exclusive of any proceeds of this offering), less any amounts withheld for taxes and certain other obligations as of such date. Concurrently with the declaration of such cash dividend, we were also required to declare a stock dividend issuable to such stockholders of an aggregate of 819,352 shares of our common stock, assuming a public offering price of \$10.00 per Unit in this offering. However, in connection with the preparation for the closing the Merger and this offering, on November 3, 2023, the parties to the Merger Agreement amended the Merger Agreement to delete the requirement for the declaration of such dividends in consideration of our agreement to make a settlement offer within 90 days of the closing of this offering to our stockholders of record as of the record date for such dividends to settle any claims for failing to pay such dividends by issuing to such stockholders the amount of cash and the number of shares of our common stock that such stockholders would have received had such dividends been declared and made.

In connection with the execution and delivery of the Merger Agreement, we entered into the Asset Purchase Agreement with SeqLL Omics. SeqLL Omics was recently formed by Daniel Jones, our current Chairman of the Board and Chief Executive Officer, and certain other SeqLL employees, for the purpose of carrying on our pre-Merger business after the Merger. Subject to the terms and conditions of the Asset Purchase Agreement, SeqLL Omics has agreed to purchase from us, and we have agreed to sell to SeqLL Omics, for a purchase price of \$1,000, all of our rights and interest in our assets and properties as they exist immediately prior to consummation of the Merger and this offering, excluding cash and cash equivalents. In negotiating the Merger Agreement with Atlantic, it was a requirement of Atlantic that at the closing of the Merger, we will have disposed of our pre-Merger business operations, including all or substantially all of our assets, and will have transferred or satisfied all of our pre-Merger liabilities, other than those pre-Merger liabilities that we have expressly agreed to retain pursuant to the Merger Agreement.

### **Summary of Risk Factors**

Our business is subject to numerous risks and uncertainties, including those in the section entitled “Risk Factors” and elsewhere in this prospectus. These significant risks include, but are not limited to, the following:

- our history of losses may harm our ability to obtain additional financing;
- Lyneer’s ability to restructure its existing debt obligations on or before July 31, 2024 and to eliminate existing joint and several liability with its current parent company, IDC;
- a default by Lyneer on its existing credit facilities could result in foreclosure on IDC’s controlling ownership interest in our company and foreclosure on our ownership of the equity securities of Lyneer;
- Lyneer’s ability to retain its largest clients;

- Lyneer’s ability to integrate the combined operations of our previously acquired companies;
- our ability to make future acquisitions, and effectively integrate any future combined operations;
- general economic conditions in the United States;
- our ability to achieve and maintain profitability;
- our ability to sustain or grow our customer base for our current services and provide superior customer service;
- our liquidity and working capital requirements, including our cash requirements over the next 12 months;
- our ability to list our securities on the CBOE and to satisfy and maintain the ongoing listing requirements for the CBOE;
- compliance with the U.S. regulations applicable to our business;
- our ability to implement Atlantic’s roll-up strategy and future plans of operations;
- expectations regarding the size of our market;
- our expectations regarding the future market demand for our services;
- compliance with applicable laws and regulatory changes;
- our ability to identify, attract and retain qualified personnel and the loss of key personnel;
- the limitation of liability and indemnification of our officers and directors;
- economic conditions affecting the staffing industry in which we operate;
- maintaining our intellectual property rights and any potential litigation involving intellectual property rights;
- our ability to anticipate and adapt to a developing market(s) and to technological changes;
- acceptance by customers of any new services;
- a competitive environment characterized by numerous, well-established and well-capitalized competitors;
- the ability to develop and upgrade our technology and information systems and keep up with rapidly evolving industry standards;
- any interruption in the supply of services;
- discontinuance of support for our information systems from third party vendors;
- significant fluctuations in our quarterly operating results;
- the extent, liquidity, volatility and duration of any public trading market for our securities;
- the resale of our securities could adversely affect the market price of our common stock and our ability to raise additional equity capital;
- we may become subject to “penny stock” rules, which could damage our reputation and the ability of investors to sell their shares;
- investors who purchase securities in this offering will experience immediate dilution as a result of this offering and may experience dilution as a result of future issuances by us;
- management has broad discretion as to the use of proceeds from this offering; and
- insiders, including significant stockholders, will continue to have substantial control over our company.

## Recent Developments

***Delisting of our Common Stock from Nasdaq Capital Market.*** On November 14, 2023, trading of our securities on the Nasdaq Capital Market was suspended a result of our failure to comply with the Nasdaq Listing Rule 5550(a)(4), which required us to have a minimum of 500,000 publicly-held shares of common stock, exclusive of shares held by officers, directors and 10% stockholders. The number of our publicly-held shares declined below 500,000 as a result of our reverse stock split that was effected in connection with the Merger. Our securities were delisted from the Nasdaq Capital Market effective April 1, 2024.

In connection with this offering, we have applied to list our common stock on the CBOE and it is a condition to the closing of this offering that our listing application be approved.

***Forbearance Agreements and Modifications to Lyneer's Debt Facilities.*** Lyneer has entered into several debt facilities under which it is jointly and severally liable for repayment with its current parent, IDC, including a revolving credit facility and a term loan with its senior lenders and promissory notes that are payable to the two prior owners of Lyneer. In July 2023, Lyneer received notice from the lender under the revolving credit facility that Lyneer was in default under the revolving credit facility due to Lyneer's failure to repay a \$14,919,145 over-advance on such facility, and Lyneer was informed that it may not make payments on its term loan with the lender until the over-advance payment default has been cured or waived, which resulted in a default under the term loan. At December 31, 2023, the over-advance was \$22,518,585 and the joint and several indebtedness totaled \$147,635,224, and Lyneer was not in compliance with all of its covenants under such indebtedness.

On April 17, 2024, IDC and Lyneer entered into limited consent and forbearance agreements with the lender under the revolving credit facility and the lender under the term loan, under which such lenders agreed, subject to satisfaction of various conditions described herein, all of which have been satisfied, to waive all then-existing events of default under the debt instruments and to forbear from exercising their rights and remedies with respect to such events of default under the revolving credit facility and the term loan and such promissory notes through July 31, 2024.

In addition to such agreements, IDC, Lyneer and Prateek Gattani, IDC's Chief Executive Officer and our Chairman of the Board following the Merger, entered into an Allocation Agreement dated as of December 31, 2023, pursuant to which IDC agreed that, as between IDC and Lyneer, in connection with the closing of this offering and the Merger, the term loan and the notes payable to the two prior owners of Lyneer, will either be paid in full or assumed by IDC, and all but \$35 million of the revolving credit facility will be paid in full or assumed by IDC, and Lyneer will have no further liability or responsibility for such indebtedness. However, as IDC and Lyneer have been unable to obtain the release of Lyneer from the holders of such indebtedness, with respect to any of such indebtedness that is not repaid by IDC, the allocation agreement between IDC and Lyneer is not being given effect for accounting purposes, and Lyneer will remain jointly and severally liable with IDC to such lenders until such time as such joint and several indebtedness is restructured, at which time IDC will be obligated to repay in full all remaining amounts payable under the term loan and the notes payable to the two prior owners of Lyneer and will repay or assume all but approximately \$35 million under the revolving credit facilities. IDC and Mr. Gattani are currently exploring refinancing opportunities with several lenders to address the assumed debt, as well as the IDC portion of the revolving credit facility. It is required that, in connection with such payments by IDC, Lyneer will enter into a new revolving credit facility with its current lender to replace the existing credit facility. It is expected that the new credit facility will be supportable by Lyneer's stand-alone borrowing base, will be on terms similar to those of the existing credit agreement and will provide credit availability to Lyneer of up to \$40,000,000.

Given the uncertainties around Lyneer's liquidity, Lyneer's compliance with its covenants under its debt facilities and Lyneer's ability to refinance its existing debt obligations, Lyneer has concluded that there is substantial doubt about its ability to continue as a going concern for at least one year from the date of issuance of its consolidated financial statements.

See under Risk Factors: "*Lyneer has a significant amount of debt obligations and its failure to restructure or pay such obligations when due could have a material adverse impact on Lyneer's financial condition and long-term viability,*" "*Lyneer has been in default under its principal credit facilities and outstanding promissory notes and any additional or future defaults by Lyneer under its credit facilities could have a material adverse impact on Lyneer's financial condition and long-term viability,*" and "*There is substantial doubt about Lyneer's ability to continue*

*as a going concern as a result of the above-described events of default under its principal credit facilities,” and the discussion under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations of Lyneer — Liquidity and Capital Resources.”*

### **Implications of Being an Emerging Growth Company and a Smaller Reporting Company**

We qualify as an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. For as long as we remain an emerging growth company, we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies. These provisions include, but are not limited to:

- being permitted to have only two years of audited financial statements and only two years of related selected financial data and management’s discussion and analysis of financial condition and results of operations disclosure;
- an exemption from compliance with the auditor attestation requirement in the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act of 2002, as amended, or the Sarbanes-Oxley Act;
- reduced disclosure about executive compensation arrangements in our periodic reports, registration statements and proxy statements; and
- exemptions from the requirements to seek non-binding advisory votes on executive compensation or golden parachute arrangements.

In addition, the JOBS Act permits emerging growth companies to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We are not choosing to “opt out” of this provision. We will remain an emerging growth company until the earliest of (i) December 31, 2026, (ii) the first fiscal year after our annual gross revenues exceed \$1.235 billion, (iii) the date on which we have, during the immediately preceding three-year period, issued more than \$1.0 billion in non-convertible debt securities or (iv) the end of any fiscal year in which the market value of our common stock held by non-affiliates exceeds \$700,000,000 as of the end of the second quarter of that fiscal year.

We are also a “smaller reporting company,” meaning that the market value of our stock held by non-affiliates is less than \$700,000,000 and our annual revenue was less than \$100,000,000 during our most recently completed fiscal year. We may continue to be a smaller reporting company if either (i) the market value of our stock held by non-affiliates is less than \$250,000,000 or (ii) our annual revenue was less than \$100,000,000 during the most recently completed fiscal year and the market value of our stock held by non-affiliates is less than \$700,000,000. For so long as we remain a smaller reporting company, we are permitted and intend to rely on exemptions from certain disclosure and other requirements that are applicable to other public companies that are not smaller reporting companies.

### **Corporate Information**

We were incorporated in Delaware under the name SeqLL Inc. on April 1, 2014. We have historically operated as a commercial-stage life science instrumentation and research services company engaged in development of scientific assets and novel intellectual property across multiple “Omics” fields. Pursuant to the Merger Agreement and the Asset Purchase Agreement, all of our current business operations will be sold to SeqLL Omics upon the completion of the Merger and this offering. Upon completion of the Merger and this offering, our business will be that of Atlantic and Lyneer, we will change our corporate name to “Atlantic International Corp.” and our corporate headquarters will be relocated to 270 Sylvan Avenue, Suite 2230, Englewood Cliffs, New Jersey 07632. Our main telephone number at that address will be (201) 899-4470, and our website address will be changed to [www.atlantic-international.com](http://www.atlantic-international.com). The information on our website is not part of this prospectus. We have included our website address as a factual reference and do not intend it to be an active link to our website.

## THE OFFERING

Units offered by us	<p>2,000,000 Units (or 2,300,000 Units if the underwriters' over-allotment option is exercised in full) at an assumed offering price of \$10.00 per Unit in a firm commitment underwritten offering. Each Unit consists of (i) one share of common stock; (ii) one Series A Warrant; and (iii) one Series B Warrant.</p>
Pre-Funded Units offered by us	<p>We are also offering to those purchasers, if any, whose purchase of Units in this offering would otherwise result in such purchaser, together with its affiliates and certain related parties, beneficially owning more than 4.99% of our outstanding common stock immediately following the consummation of this offering, the opportunity, in lieu of purchasing common stock, to purchase Pre-Funded Units. Each Pre-Funded Unit consists of: (i) one Pre-Funded Warrant exercisable for one share of common stock; (ii) one Series A Warrant; and (iii) one Series B Warrant. For each Pre-Funded Unit we sell, the number of Units we are offering will be decreased on a one-for-one basis. The purchase price of each Pre-Funded Unit will equal the price per Unit at which the Units are being sold to the public in this offering, minus \$0.0001, and the exercise price of each Pre-Funded Warrant will be \$0.0001 per share of common stock. Each Pre-Funded Warrant will be exercisable immediately upon issuance and will be exercisable until all of the Pre-Funded Warrants are exercised in full. This prospectus also relates to the offering of the shares of common stock issuable upon exercise of such Pre-Funded Warrants. See "Description of the Securities We are Offering — Pre-Funded Warrants" for a discussion on the terms of the Pre-Funded Warrants.</p> <p>Each Pre-Funded Warrant is exercisable for one share of our common stock (subject to adjustment as provided therein) at any time at the option of the holder, provided that the holder will be prohibited from exercising its Pre-Funded Warrant for shares of our common stock if, as a result of such exercise, the holder, together with its affiliates, would own more than 4.99% of the total number of shares of our common stock then issued and outstanding. However, any holder may increase such percentage to any other percentage not in excess of 9.99%, provided that any increase in such percentage shall not be effective until 61 days after such notice to us.</p>
Warrants offered by us	<p><i>Series A Warrants:</i></p> <p>We are offering Series A Warrants to purchase an aggregate of 2,000,000 shares of our common stock. Each Unit will include a Series A Warrant. Each Series A Warrant is exercisable to purchase one share of common stock, subject to adjustment in the event of stock dividends, stock splits, stock combinations, reclassifications, reorganizations or similar events affecting our common stock, will have an exercise price of \$13.00 per share (representing 130% of the assumed offering price per Unit), will be immediately exercisable and will expire on the fifth anniversary of the date of stockholder approval of the price adjustment provisions of the Series A Warrants and the alternative cashless exercise provisions of the Series B Warrants (such approval, the "Stockholder Approval"). Subject to Stockholder Approval, the exercise price of the Series A Warrants will be reduced on each trading day (each a "Reset Date") commencing on the third trading day immediately following the date of effectiveness of the Stockholder Approval until the 40<sup>th</sup> trading day following such effective date (the "Reset Period") to a new exercise price equal to the lower of (i) the then exercise price, taking into account any prior reductions to the exercise price, and (ii) a price equal to 105% of the lowest per share volume weighted average price (VWAPs) of the common stock on the CBOE on any trading day during the period from the closing date of this offering to such Reset Date (the "Price Adjustment Provisions"). In the event the Series A Warrants are exercised during the Reset Period, the "Reset Date" for such portion of the Series A Warrants being exercised shall be the date on which the Notice of Exercise is delivered and, with respect to such portion of the Series A Warrants so exercised, the Exercise Price shall not be</p>

subsequently reset during the remainder of the Reset Period (and any unexercised portion of the Series A Warrant shall remain subject to further adjustments until the end of the Reset Period). In the Series A Warrants, we will agree to obtain Stockholder Approval of the Price Adjustment Provisions by filing an information statement with the SEC within 15 days of the closing of this offering, pursuant to which the holders of a majority our outstanding common stock will consent to the Price Adjustment Provisions, which action shall take effect 20 days following the filing of such information statement.

If we pay a stock dividend or make a distribution in common stock or subdivide our outstanding common stock into a larger number of shares or combine our outstanding common stock (including a reverse stock split) into a smaller number of shares, the number of shares issuable upon exercise of the Series A Warrants (each a “Stock Combination Event”) shall be proportionately adjusted such that the aggregate exercise price shall remain unchanged. In addition, following such Stock Combination Event, the exercise price of the Series A Warrants will be reduced on each trading day commencing on the second trading day immediately following such Stock Combination Event until the 40<sup>th</sup> trading day following such Stock Combination Event (each a “Stock Combination Reset Date”) to a new exercise price equal to the lower of (i) the then exercise price, taking into account any prior reductions to the exercise price, and (ii) a price equal to 100% of the lowest VWAP of the common stock on the CBOE on any trading day during the period from the date of such Stock Combination Date to such Stock Combination Reset Date.

The Series A Warrants will be exercisable on a cashless basis in the event we do not have an effective registration statement under the Securities Act that includes the shares of common stock issuable upon exercise of the Series A Warrants. Notwithstanding the foregoing, on the termination date of the Series A Warrants, the Series A Warrants shall be automatically exercised via a cashless exercise. See “Description of Securities Being Offered in This Offering — Warrants.”

*Series B Warrants:*

We are also offering Series B Warrants to purchase an aggregate of 2,000,000 shares of our common stock. Each Unit will include a Series B Warrant. Each Series B Warrant is exercisable for one share of common stock, subject to adjustment in the event of stock dividends, stock splits, stock combinations, reclassifications, reorganizations or similar events affecting our common stock and subject to the alternative cashless exercise of the Series B Warrants as discussed below. Each Series B Warrant will have an exercise price of \$20.00 per share (representing 200% of the assumed offering price per Unit), will be immediately exercisable and will expire on the fifth anniversary of the date of the Stockholder Approval. The Series B Warrants will be exercisable on a cashless basis in the event we do not have an effective registration statement under the Securities Act that includes the shares of common stock issuable upon exercise of the Series B Warrants.

Subject to receipt of the Stockholder Approval, the holders of a Series B Warrant may, at any time and in their sole discretion, exercise such Warrants in whole or in part by means of an “alternative cashless exercise” in which a holder shall be entitled to receive, without the payment of additional consideration, a number of shares of common stock issuable upon exercise that will equal the product of (a) the number of shares of common stock that would be issuable upon exercise of such warrant in accordance with the terms of such warrant if such exercise were by means of a cash exercise rather than a cashless exercise and

(b) the quotient obtained by dividing (i) the exercise price minus the lowest VWAP on any trading day during the ten trading days immediately prior to the applicable exercise date by (ii) 50% of the lowest VWAP on any trading day during the ten trading days immediately prior to the applicable exercise date (the “Alternative Cashless Exercise Provisions”).

In the Series B Warrants, we will agree to obtain Stockholder Approval of the Alternative Cashless Exercise Provisions by filing an information statement with the SEC within 15 days of the closing of this offering that will become effective 20 days after filing. In the event the closing price of our common stock is below \$.01 for five (5) consecutive trading days, we will be required to promptly effect a reverse stock split of our common stock.

A holder of a Series A Warrant or a Series B Warrant will not have the right to exercise any portion of the warrant if the holder (together with its affiliates) would beneficially own in excess of 4.99% (or, upon election of the holder, 9.99%) of the number of shares of our common stock outstanding immediately after giving effect to the exercise, as such percentage ownership is determined in accordance with the terms of the warrants. However, any holder may increase or decrease such percentage, provided that any increase will not be effective until the 61<sup>st</sup> day after such election.

Shares of common stock outstanding prior to the Merger and this offering

380,648 shares.

Shares of common stock outstanding after the Merger and this offering

13,000,000 shares (assuming no sale of any Pre-Funded Units), or 13,300,000 shares if the underwriters’ option to purchase additional shares and accompanying warrants is exercised in full, assuming none of the warrants to purchase common stock issued in this offering are exercised.

Use of proceeds

We estimate that our net proceeds from the sale of shares of our common stock in this offering will be approximately \$17,915,000, based on assumed gross proceeds of approximately \$20,000,000 (assuming no exercise of the underwriters’ option to purchase additional shares of our common stock from us) and an assumed public offering price of \$10.00 per Unit as set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses of approximately \$2,305,000 payable by us. We plan to use \$16,250,000 of the net proceeds to fund the Cash Consideration payable to IDC in the Merger. The balance of the net proceeds will be used for working capital to finance our future operations, including general corporate purposes, general and administrative expenses, capital expenditures and compensation, including bonuses, deferred compensation and payment of consultants and professionals. See “Use of Proceeds.”

Risk factors

**The shares of common stock offered by this prospectus are speculative and involve a high degree of risk.** Investors purchasing our common stock should not purchase the shares unless they can afford the loss of their entire investment. See “Risk Factors” beginning on page 13 and the other information included in this prospectus.

Market symbols and trading

In connection with the proposed Merger and this offering, we have applied to the CBOE list our common stock under the symbol “ATLN” upon consummation of the Merger and this offering. We do not intend to list the Pre-Funded Warrants, the Series A Warrants or the Series B Warrants on any national securities exchange or other nationally-recognized trading market. Without a trading market, the liquidity of such securities will be extremely limited.

On November 16, 2023, our common stock was suspended from trading on the Nasdaq Capital Market due to our non-compliance with Nasdaq Listing Rule 5550(a)(4), which required us to have a minimum of 500,000 publicly-held shares of common stock, exclusive of shares held by officers, directors and 10% stockholders, as a result of the reverse stock split we effected in connection with the Merger. Since that date, our common stock has traded sporadically in the over-the-counter market under the symbol “SEQL.” Our securities were delisted from the Nasdaq Capital Market effective April 1, 2024.

Lock-ups

We, our directors and executive officers, and the holders of 5% or more (calculated on a fully diluted basis) of the outstanding shares of our common stock will enter into customary “lock-up” agreements pursuant to which such persons and entities will agree, for a period of 180 days after the closing of this offering, not to offer, issue, sell, contract to sell, encumber, grant any option for the sale of, or otherwise dispose of, any shares of common stock or any securities convertible into or exchangeable for our common stock without the consent of the representative. See “Underwriting — Lock-Up Agreements.”

The number of shares of our common stock outstanding after the Merger and this offering is based on 380,648 shares of our common stock outstanding as of December 31, 2023 and (i) gives effect to the issuance of 12,619,352 shares of common stock subsequent to December 31, 2023, including 10,619,352 shares in connection with the consummation of the Merger (including 819,352 shares issued in escrow for payment to our pre-Merger stockholders in respect of our failure to make a stock dividend to such stockholders in connection with the Merger), assuming a public offering price of \$10.00 per Unit in this offering; (ii) assumes no issuance of Pre-Funded Units and (iii) excludes as of such date:

- 54,020 shares of our common stock issuable upon the exercise of stock options, with a weighted-average exercise price of \$72.55 per share;
- 95,777 shares of our common stock issuable upon the exercise of outstanding warrants, with a weighted-average exercise price of \$170.38 per share;
- a number of shares equal to 15% of our outstanding shares of common stock immediately following the Merger and the closing of this offering to be reserved for issuance under our 2023 Equity Incentive Plan, under which we will issue to certain of our new executive officers, directors and consultants restricted stock units representing all of such shares, subject to vesting, upon the completion of the Merger and this offering;
- 46,000 shares of our common stock issuable upon exercise of the Representative’s warrants issued in this offering; and
- 2,000,000 shares of common stock issuable upon exercise of the Series A Warrants and 2,000,000 shares issuable upon exercise of the Series B Warrants, and any additional shares of our common stock that may be issued upon an “alternative cashless exercise” of the Series B Warrants.



**SELECTED HISTORICAL AND PRO FORMA CONSOLIDATED FINANCIAL AND OPERATING DATA OF LYNEER**

Promptly following the pricing of this offering we will complete the Merger in a transaction with a total purchase price of approximately \$113,000,000 based on an assumed public offering price of \$10.00 per Unit in this offering. The Merger will be treated as a reverse merger for accounting purposes under U.S. GAAP with Lyneer as the accounting acquirer and our company as the accounting acquiree. As a result, our consolidated financial statements included in this prospectus include those of Lyneer. In connection with the closing of this offering and the Merger, we will sell our existing assets, other than cash and cash equivalents, which will be distributed to our pre-Merger stockholders in connection with the Merger, to SeqLL Omics for nominal consideration. As a result, the operations of our pre-Merger business are not reflected in such financial statements.

The selected financial data presented below should be read in conjunction with the financial statements of Lyneer, the notes thereto, “Management’s Discussion and Analysis of Financial Condition and Results of Operations of Lyneer” and the other information contained in this prospectus.

The summary of historical financial data for the years ended December 31, 2023 and December 31, 2022, are derived from audited financial statements of Lyneer included elsewhere in this prospectus.

Historical results are included for illustrative and informational purposes only and are not necessarily indicative of results we expect in future periods.

	Year Ended	
	December 31, 2023	December 31, 2022
<b>Statement of Operations Data</b>		
Service revenue, net	\$ 401,374,701	\$ 441,544,117
Total cost of revenue	354,496,441	387,338,567
Gross profit	46,878,260	54,205,550
Total operating expenses	50,329,784	48,226,142
Income (loss) from operations	(3,451,524)	5,979,408
Loss on debt extinguishment	189,951	—
Interest expense	17,538,816	10,008,896
Net (loss) income before taxes	(21,180,291)	(4,029,488)
Income Tax (benefit) expense	(5,928,271)	(808,430)
Net (loss) income	<b>\$ (15,252,020)</b>	<b>\$ (3,221,058)</b>
	December 31, 2023	December 31, 2022
<b>Balance Sheet Data</b>		
Cash and cash equivalents	\$ 1,352,927	\$ 1,716,161
Working capital <sup>(1)</sup>	(82,766,409)	48,923,418
Total assets	126,666,609	126,307,512
Total liabilities	166,020,662	153,610,009
Mezzanine capital	10,663,750	10,165,000
Members (deficit)	(50,017,803)	(37,467,497)

(1) Working capital represents total current assets less total current liabilities.

**ADJUSTED EARNINGS BEFORE INTEREST, TAX,  
DEPRECIATION AND AMORTIZATION (“ADJUSTED EBITDA”) OF LYNEER**

Adjusted EBITDA is measured by taking net income as reported in accordance with GAAP, excluding interest expense, taxes, depreciation and intangible amortization, loss on debt extinguishment, change in fair value of contingent consideration liabilities, severance and salary reductions for staff positions eliminated and not replaced and transaction costs booked through Lyneer’s consolidated statements of operations. The following is a reconciliation of Lyneer’s net income in accordance with GAAP to EBITDA and adjusted EBITDA for the years ended December 31, 2023 and December 31, 2022:

	Year Ended December 31,		
	2023	2022	Change
Net (loss) income	\$ (15,252,020)	\$ (3,221,058)	\$ (12,030,962)
Interest expense	17,538,816	10,008,896	7,529,920
Income tax expense (benefit)	(5,928,271)	(808,430)	(5,119,841)
Depreciation and amortization	5,038,218	5,065,511	(27,293)
Earnings before interest, taxes, depreciation and amortization	\$ 1,396,743	\$ 11,044,919	\$ (9,648,176)
Non-recurring adjustments from operations:			
Loss on debt extinguishment <sup>(1)</sup>	189,951	—	189,951
Change in fair value of contingent consideration liabilities <sup>(2)</sup>	(150,093)	894,133	(1,044,226)
Salary reductions & severance for staff not replaced <sup>(3)</sup>	625,200	2,755,943	(2,130,743)
Transaction costs <sup>(4)</sup>	3,380,121	—	3,380,121
Total non-recurring adjustments from operations	4,045,179	3,650,076	395,103
Adjusted EBITDA	<u>\$ 5,441,992</u>	<u>\$ 14,694,995</u>	<u>\$ (9,253,073)</u>

(1) Adjustment related to the Revolver debt extinguishment during the year ended December 31, 2023.

(2) The fair value of contingent consideration is determined by gross profit projections which fluctuate based on market conditions. The measurement period for Lyneer’s contingent consideration arrangements expired on August 31, 2023, at which time amounts owed by Lyneer to its former owners were computed and represent fixed amounts.

(3) Adjustment to account for reductions in force and associated severance costs for non-revenue generating employee positions during the years ended December 31, 2023 and December 31, 2022. These actions were taken as a response to the COVID-19 pandemic and Lyneer believes the costs to be non-recurring.

(4) Legal, accounting and advisory costs incurred in relation to the Merger transaction.

See “Management’s Discussion and Analysis of Financial Condition and Results of Operations of Lyneer” beginning on page 44 for additional discussion of Lyneer’s EBITDA and adjusted EBITDA.

## RISK FACTORS

*Investing in our securities involves a high degree of risk. You should carefully consider the following information about these risks, together with the other information appearing elsewhere in this prospectus, including Lyneer's financial statements, the notes thereto and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations of Lyneer," before deciding to invest in our securities. The risk factors related to the Merger are the risks directly related to the Merger and the integration of Lyneer with our company to the extent presently known. The risks below also include forward-looking statements, and actual results may differ substantially from those discussed in these forward-looking statements. See "Cautionary Note Concerning Forward-Looking Statements" beginning on page 35. The risks and uncertainties described in this prospectus are not the only risks that we will encounter. Additional risks and uncertainties not presently known to us Atlantic or Lyneer or that we, Atlantic or Lyneer currently consider immaterial may also impair Atlantic's or Lyneer's business operations or our business operations after the Merger. The occurrence of any of the following risks could have a material and adverse effect on our business, reputation, financial condition, results of operations and future growth prospects, as well as our ability to accomplish our strategic objectives. As a result, the trading price of our securities could decline and you could lose all or part of your investment.*

### **Risks Related to the Merger**

***Neither Atlantic nor Lyneer is a publicly-traded company, making it difficult to determine the fair market value of those companies.***

The outstanding capital stock of Atlantic and equity interests of Lyneer are privately held and are not currently traded on any public market, which makes it difficult to determine the fair market value of Atlantic and Lyneer. There can be no assurance that the Merger Consideration we will pay to the Sellers will not be more than the aggregate value of Atlantic and Lyneer.

***The fairness opinion obtained by our board of directors from its independent financial advisor will not reflect subsequent changes.***

In connection with the Merger, McKim & Company LLC, the independent financial advisor to our board of directors, delivered to the board of directors an opinion dated May 22, 2023 to the effect that as of that date, and based upon and subject to the various considerations set forth in the opinion, the Merger Consideration to be paid by us pursuant to the Merger Agreement was fair, from a financial point of view, to our stockholders. The opinion does not reflect changes that may occur or, in fact, have occurred after the date of the opinion, including changes to the operations, financial condition and prospects of our company, Atlantic or Lyneer, changes in the market prices of our common stock, changes in general market or economic conditions, or regulatory or other factors. Any such changes, or changes of other factors on which the opinion is based, may materially alter or affect the relative values of our company, Atlantic and Lyneer and the value of the Merger Consideration payable to the Sellers.

***We, Atlantic and Lyneer have incurred and expect to continue to incur substantial transaction-related costs in connection with the Merger.***

We, Atlantic and Lyneer have incurred, and expect to continue to incur, a number of non-recurring transaction-related costs associated with completing the Merger. These fees and costs have been, and will continue to be, substantial. Non-recurring transaction costs include, but are not limited to, fees paid to legal, financial and accounting advisors, filing fees and printing costs. Additional unanticipated costs may be incurred, which may be higher than expected and could have a material adverse effect on our business, financial condition and operating results after consummation of this offering and the Merger.

***Our ability to use our federal net operating loss carryforwards and certain other tax attributes following the Merger may be limited.***

As of December 31, 2023, we had federal net operating loss carryforwards of approximately \$21,893,488. The available net operating loss carryforwards, if not utilized by us to offset taxable income in subsequent taxable periods, will begin to expire in 2034, except for certain net operating losses that can be carried forward indefinitely. Under the Internal Revenue Code and the Treasury Regulations promulgated thereunder, certain ownership changes could limit a corporation's ability to utilize its net operating loss carryforwards and other tax attributes to offset its federal taxable income in subsequent taxable periods.

An “ownership change” (generally a 50% change in equity ownership over a three-year period) under Section 382 of the Code could limit our ability to utilize our net operating loss carryforwards to offset, post-change, our U.S. federal taxable income. Section 382 of the Code imposes an annual limitation on the amount of post-ownership change federal taxable income a corporation may offset with pre-ownership change net operating loss carryforwards. We believe the Merger may cause an ownership change of our company that could limit our ability to utilize our pre-Merger net operating loss carryforwards, and as a result, increase our federal income tax liability in subsequent taxable periods.

***We may not realize the expected benefits of the Merger.***

While our existing business is expected to be sold concurrently with the Merger, to be successful after the Merger, we will need to combine and integrate the assets of Atlantic and the operations of Lyneer. Integration will require substantial management attention and resources and could detract attention and resources from the day-to-day business of our company. We could encounter difficulties in the integration process, such as:

- the inability to successfully combine Lyneer’s business and Atlantic’s assets in a manner that permits us to achieve, on a timely basis, if at all, the anticipated benefits of the Merger;
- complexities associated with managing the combined businesses, including difficulty addressing possible differences in corporate cultures and management philosophies in a seamless manner that minimizes any adverse impact on customers, clients, employees, lenders, and other constituencies;
- the loss of key employees, customers, suppliers, vendors and partners;
- insufficient capital and liquidity to achieve our business plan;
- the inability of the combined company to meet its cost expectations
- performance shortfalls as a result of the diversion of management’s attention caused by completing the Merger; and
- potential unknown liabilities and unforeseen increased expenses or delays associated with the Merger.

If we cannot integrate Lyneer’s business successfully with the management and assets of Atlantic, we may fail to realize the expected benefits of the Merger. In addition, there is no assurance that all of the goals and anticipated benefits of the Merger will be achievable, particularly as the achievement of the benefits are in many important respects subject to factors that neither we nor Atlantic or Lyneer controls. These factors include such things as the reactions of third parties with whom contracts are entered into and with which business is undertaken and the reactions of investors and analysts.

In addition, we, Atlantic and Lyneer have operated and, until the completion of the Merger, will continue to operate independently. It is possible that the integration process could result in diversion of the attention of each company’s management that could adversely affect each company’s ability to maintain any outside business relationships and our ability to achieve the anticipated benefits of the Merger, or could reduce each company’s operating results or otherwise adversely affect our business and financial results following the Merger.

***Future results following the Merger may differ materially from the unaudited pro forma financial information included in this prospectus.***

The unaudited pro forma financial information contained in this prospectus is presented for purposes of replacing our historical consolidated financial statements with the historical financial statements of Lyneer, as adjusted to give effect to the Merger, and is not necessarily indicative of the financial condition or results of operations of the business following the Merger. The deconsolidation of Lyneer’s debt obligations in the pro forma financial statements will have no effect on the joint and several legal obligations of Lyneer, which will be our sole operating subsidiary following the Merger, with IDC, our principal stockholder after this offering, for the repayment of \$147,635,224 of indebtedness as of December 31, 2023. The pro forma financial statements contained in this prospectus assume, among other things, that Lyneer will be able to restructure or repay its indebtedness prior to the July 31, 2024 date of forbearance by Lyneer’s lenders. The assumptions used in preparing the pro forma financial information may not prove to be accurate, and other factors may affect the combined company’s financial condition and results of operations following the Merger. Any change in our financial condition or results of operations may cause significant variations in the price of our common stock. See “Unaudited Pro Forma Condensed Combined Financial Information” for more information.

***We may not realize anticipated growth opportunities.***

We expect that we will realize growth opportunities and other financial and operating benefits as a result of the Merger; however, we cannot predict with certainty if or when these growth opportunities and benefits will occur, or the extent to which they actually will be achieved.

***Following the completion of this offering, Atlantic's and Lyneer's existing stockholders will control our company, and their interests may conflict with yours in the future.***

Immediately following the closing of this offering, Atlantic's and Lyneer's existing stockholders will own more than a majority of the outstanding shares of our common stock. Each share of our common stock initially entitles its holder to one vote on all matters presented to stockholders generally. Accordingly, those owners, if voting in the same manner, will be able to control the election and removal of the majority of our directors and thereby determine corporate and management policies, including potential mergers or acquisitions, payment of dividends, asset sales, amendment of the articles and by-laws and other significant corporate transactions of our company for so long as they retain significant ownership. This concentration of ownership may delay or deter possible changes in control of our company, which may reduce the value of an investment in our common stock. So long as Atlantic's and Lyneer's existing stockholders continue to own a significant amount of the combined voting power, even if such amount is less than 50%, they will continue to be able to strongly influence or effectively control decisions of our company.

***We may be unable to satisfy CBOE listing requirements for the listing of our securities on the CBOE and to maintain such listing following this offering, which could limit the ability of investors to effect transactions in our securities and subject us to additional trading restrictions.***

In connection with this offering, we have applied to the CBOE for the listing of our common stock. As the consummation of this offering is conditioned on the approval by the CBOE of our new listing application, we must meet the CBOE'S initial listing requirements to do so. There can be no assurance that our listing application will be approved. Our securities were previously listed on the Nasdaq Capital Market until trading was suspended on November 14, 2023 as a result of our failure to comply with Nasdaq Listing Rule 5550(a)(4), which required us to meet a minimum of 500,000 publicly-held shares of common stock, exclusive of shares held by officers, directors and our 10% stockholders. The number of our publicly-held shares declined below 500,000 a result of the reverse stock split we effected in connection with the Merger. Our securities were delisted from the Nasdaq Capital Market effective April 1, 2024.

If following this offering we fail to maintain the listing requirements of CBOE and our securities are delisted, there could be significant material adverse consequences to us, including:

- a limited availability of market quotations for our securities;
- a limited amount of news and analyst coverage for our company; and
- a decreased ability to obtain capital or pursue acquisitions by issuing additional equity or convertible securities.

***The Merger will result in changes to our board of directors and management that may affect the strategy and operations of the combined company as compared to that of Atlantic and Lyneer as they currently exist.***

Upon completion of the Merger, the composition of our board of directors and management team will change. Upon completion of the Merger, our board of directors will be comprised of six members with a seventh director who is expected to have industry experience to be appointed by the board of directors following the closing of the Merger and this offering. Our board of directors currently consists of four members, and effective on closing of the Merger, all but one of the members of our board of directors, David Pfeffer, are anticipated to resign and additional board members designated by Atlantic and Lyneer will be appointed to our board of directors.

There is no assurance that our newly-constituted board of directors and new management will function effectively as a team or be able to execute our new business plan and operations to maximize profitability, and that there will not be any adverse effect on our business as a result.

***Uncertainties associated with the Merger may cause a loss of Atlantic and Lyneer management personnel and other key employees that could adversely affect our future business and operations following the Merger.***

Upon consummation of the Merger, the combined company will be dependent on the experience and industry knowledge of Atlantic's and Lyneer's current officers and other key employees to execute our business plans. Our success after the Merger will depend in part upon our ability to retain key management personnel and other key employees of both Atlantic and Lyneer as well as upon the ability of our new management to execute operationally after the Merger. Lyneer's and, to a lesser extent, Atlantic's current and prospective employees may experience uncertainty about their roles within our company following the Merger or other concerns regarding our operations following the Merger, any of which may have an adverse effect on our ability to attract or retain key management and other key personnel. Accordingly, no assurance can be given that each of Lyneer and Atlantic will be able to attract or retain key management personnel and other key employees until the Merger is consummated or following the Merger to the same extent that Lyneer and Atlantic have previously been able to attract or retain such employees.

***We will continue to incur substantial costs and obligations as a result of being a public company.***

As a publicly-traded company, we will continue to incur significant legal, accounting and other expenses that neither Atlantic nor Lyneer was required to incur in the recent past. In addition, laws, regulations and standards relating to corporate governance and public disclosure for public companies, including the rules and regulations of the SEC and the CBOE, have increased the costs and the time that must be devoted to compliance matters. We expect that the amount of time and requirements to comply with these rules and regulations will continue to increase and that the legal and financial costs that the combined company will incur will increase compared to the costs that we previously incurred and could lead to a diversion of management time and attention from revenue-generating activities.

***Following the Merger, we may issue additional shares or other equity securities without your approval, which would dilute your ownership interest in our company and may depress the market price of our common stock.***

We may issue additional shares or other equity securities in the future in connection with, among other things, future acquisitions, repayment of outstanding indebtedness or grants without stockholder approval in a number of circumstances.

The issuance of additional shares or other equity securities could have one or more of the following effects:

- Our existing stockholders' proportionate ownership interest will decrease;
- the amount of cash available per share, including for payment of dividends in the future, may decrease;
- the relative voting strength of each previously outstanding share may be diminished; and
- the market price of our shares may decline.

***If our performance following the Merger does not meet market expectations, the price of our securities may decline.***

If our performance following the Merger does not meet market expectations, the price of our common stock may decline. The market value of our common stock at the time of the Merger may vary significantly from the price of our common stock on the date the Merger Agreement was executed, the date on which our stockholders voted on the Merger or the date of this prospectus. Because the number of shares of our common stock issued as consideration in the Merger will not be adjusted to reflect any changes in the market price of our common stock, the value of our common stock issued in the Merger may be higher or lower than the values of our shares on earlier dates.

In addition, following the Merger, fluctuations in the price of our common stock could contribute to the loss of all or part of your investment. Prior to the Merger, there has not been a public market for the equity interests of Atlantic or Lyneer, and there has been no trading in the equity securities of either company. Accordingly, the valuation ascribed to the equity securities of our company, Atlantic and Lyneer in the Merger may not be indicative of the price that will prevail in the trading market following the Merger. If an active market for the shares of our common stock continues, the trading price of our shares following the Merger could be volatile and subject to wide fluctuations in response to various factors, some of which are beyond our control. Any of the factors listed below could have a material adverse effect on your investment in our common stock and our common stock may trade at prices significantly below the price you paid for them.

Factors affecting the trading price of our common stock following this offering may include:

- actual or anticipated fluctuations in our financial results or the financial results of companies perceived to be similar to us;
- changes in the market's expectations about our operating results;
- unexpected increases in the number of shares of our common stock that may be issuable upon exercise of the Series A Warrants due to post-closing anti-dilution adjustments to the number of shares issuable upon an alternative cashless exercise of such warrants;
- the success of competitors;
- our operating results failing to meet market expectations in a particular period;
- changes in financial estimates and recommendations by securities analysts concerning us or the staffing industry and market in general;
- operating and share price performance of other companies that investors deem comparable to us;
- our ability to market new and enhanced products on a timely basis;
- changes in laws and regulations affecting our business;
- commencement of, or involvement in, litigation involving our company;
- changes in our capital structure, such as future issuances of securities or the incurrence of additional debt;
- the volume of our shares available for public sale;
- any significant change in our board or management;
- sales of substantial amounts of shares by our directors, executive officers or significant stockholders or the perception that such sales could occur; and
- general economic and political conditions such as recessions, interest rates, fuel prices, international currency fluctuations and acts of war or terrorism.

Broad market and industry factors may depress the market price of our common stock irrespective of our operating performance. The stock market in general and certain securities trading on the CBOE, a relatively new national securities exchange, have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of our securities, may not be predictable. A loss of investor confidence in the market for technology, bitcoin mining or sustainability-related stocks or the stocks of other companies that investors perceive to be similar to our company could depress our share price regardless of our business, prospects, financial conditions or results of operations. A decline in the market price of our common stock also could adversely affect our ability to issue additional securities and our ability to obtain additional financing in the future.

***The market price of our common stock may be affected by factors different from those affecting Atlantic's common stock or Lyneer's equity securities prior to consummation of the Merger.***

Our historical business differs from that of Atlantic's and Lyneer's business. Accordingly, the results of operations of the combined company and the market price of our common stock may be affected by factors different from those that previously affected the independent results of operations of Lyneer.

***While we expect that we will sell substantially all of our current operations, including all of our operating assets and most of our liabilities, to SeqLL Omics pursuant to the Asset Purchase Agreement upon the closing of the Merger, there may be certain liabilities that cannot be transferred.***

Pursuant to the Asset Purchase Agreement, we will transfer all of our current operating assets and liabilities, other than our liabilities under an outstanding promissory note in the principal amount of \$1,375,000 and our office lease payment obligations for one year, to SeqLL Omics upon the closing of the Merger. However, if we are unable to transfer certain liabilities, such as certain tax liabilities, we will remain obligated for such liabilities. Depending on the timing of any such claim and the amount of such claim, the Asset Purchase Agreement may not provide adequate remedies for such claims and we may remain obligated for such liabilities.

***Our ability and the ability of Atlantic and Lyneer to successfully effect the Merger and successfully operate the business thereafter will depend largely upon the efforts of certain key personnel, including the key personnel of Atlantic and Lyneer, all of whom we expect to stay with us following the Merger. The loss of such key personnel following the Merger could adversely affect the operations and profitability of our business.***

The ability of Atlantic, Lyneer and our company to recognize certain benefits of the Merger and successfully operate our business following the Merger will depend upon the efforts of certain key personnel of Atlantic and Lyneer. Although we, Atlantic and Lyneer expect all of such key personnel to remain with us following the Merger, the unexpected loss of key personnel may adversely affect our operations and profitability and would require us to recruit a new leadership team. In addition, our future success depends, in part, on our ability to identify and retain key personnel to succeed senior management in an expedient matter. Furthermore, while we have closely scrutinized the skills, abilities and qualifications of the key Atlantic and Lyneer personnel that will be employed by us, our assessment may not prove to be correct. If such personnel do not possess the skills, qualifications or abilities we expect or those necessary to manage a public company, the operations and profitability of our business may be negatively impacted.

***Following this offering, our ability to meet expectations and projections in any research or reports published by securities or industry analysts, or a lack of coverage by securities or industry analysts, could result in a depressed market price and limited liquidity for our common stock.***

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts may publish about us, our business, our market, or our competitors. If no securities or industry analysts commence coverage of our company, our share price would likely be less than that which would be obtained if we had such coverage and the liquidity, or trading volume of our shares may be limited, making it more difficult for a stockholder to sell shares at an acceptable price or amount. If any analysts do cover our company, their projections may vary widely and may not accurately predict the results we actually achieve. Our share price may decline if our actual results do not match the projections of research analysts covering us. Similarly, if one or more of the analysts who write reports on our company downgrades our shares or publishes inaccurate or unfavorable research about our business, our share price could decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, our share price or trading volume could decline.

***Subsequent to the consummation of the Merger, we may be required to take write-downs or write-offs, restructuring and impairment or other charges, including goodwill, that could have a significant negative effect on our financial condition, results of operations and share price, which could cause you to lose some or all of your investment.***

Although we conducted a due diligence examination of Atlantic and Lyneer and their respective subsidiaries, we cannot assure you that this examination revealed all material issues that may be present in the business of those companies, or that factors outside of our, Atlantic's and Lyneer's control will not later arise. As a result, 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 losses. Even if our due diligence successfully identified certain risks, unexpected risks may arise and previously known risks may materialize in a manner not consistent with our preliminary risk analysis. Even though these charges may be non-cash items and not have an immediate impact on our liquidity, the fact that we may report charges of this nature could contribute to negative market perceptions about us or our securities. In addition, charges of this nature may cause us to be unable to obtain future financing on favorable terms or at all.

***We may be subject to securities litigation, which is expensive and could divert management attention.***

Following this offering, our share price may be volatile and, in the past, companies that have experienced volatility in the market price of their shares have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Litigation of this type could result in substantial costs and diversion of management's attention and resources, which could have a material adverse effect on our business, financial condition, results of operations and prospects. Any adverse determination in litigation could also subject us to significant liabilities.

***We may be subject to claims based upon our cancellation of stock and cash dividends to our pre-Merger stockholders.***

Pursuant to the Merger Agreement, we were required, prior to the closing of the Merger and this offering, to declare a cash dividend payable to our stockholders of record as of the close of business on a date to be determined, but prior to the date of pricing of this offering, in an amount equal to our cash and cash equivalents as of the



closing date of the Merger and this offering (exclusive of any proceeds of this offering), less any amounts withheld for taxes and certain other obligations as of such date. Concurrently with the declaration of such cash dividend, we were also required to declare a stock dividend issuable to such stockholders of an aggregate of 819,352 shares of our common stock, assuming a public offering price of \$10.00 per Unit in this offering. However, in connection with the preparation for the closing the Merger and this offering, on November 3, 2023, the parties to the Merger Agreement agreed to waive the declaration of such dividends in consideration of our agreement to make a settlement offer within 90 days of the closing of this offering to our stockholders of record as of September 26, 2023, the record date for such dividends, to settle any claims of such stockholders for failing to pay such dividends by issuing to such stockholders the amount of cash and the number of shares of our common stock that such stockholders would have received had such dividends been declared and made. While we will transfer our cash and cash equivalents on hand as of the closing date to restricted cash and escrow 819,352 shares of our common stock, assuming a public offering price of \$10.00 per Unit in this offering, at the closing of the Merger and this offering for the future payment of such proposed settlement amounts, there can be no assurance that such amounts will be sufficient to pay any claims that may be made against us for our failure to pay the cash and stock dividends that were originally required by the Merger Agreement, or that additional claims may not be made against us by other stockholders of our company for our failure to pay such dividends.

### **Risks Related to Lyneer's Business**

***Lyneer operates in an intensely competitive and rapidly changing business environment, and there is a substantial risk that its services could become obsolete or uncompetitive.***

The markets for Lyneer's services are highly competitive. Lyneer's markets are characterized by pressures to provide high levels of service, incorporate new capabilities and technologies, accelerate job completion schedules and reduce prices. Furthermore, Lyneer faces competition from a number of sources, including other executive search firms and professional search, staffing and consulting firms. Several of Lyneer competitors have greater financial and marketing resources than Lyneer does. New and current competitors are aided by technology, and the market has low barriers to entry and similarly such technologies have allowed employers to find workers without the help of traditional agencies. Specifically, the increased use of the internet may attract technology-oriented companies to the professional staffing industry. Free social networking sites such as LinkedIn and Facebook are also becoming a common way for recruiters and employees to connect without the assistance of a staffing company.

Lyneer's future success will depend largely upon its ability to anticipate and keep pace with those developments and advances. Current or future competitors could develop alternative capabilities and technologies that are more effective, easier to use or more economical than Lyneer's services. In addition, Lyneer believes that, with continuing development and increased availability of information technology, the industries in which Lyneer competes may attract new competitors. If Lyneer's capabilities and technologies become obsolete or uncompetitive, its related sales and revenue would decrease. Due to competition, Lyneer may experience reduced margins on its services, loss of market share, and loss of customers. If Lyneer is not able to compete effectively with current or future competitors as a result of these and other factors, Lyneer's business, financial condition and results of operations could be materially adversely affected.

***Lyneer's debt instruments contain covenants that could limit its financing options and liquidity position, which would limit its ability to grow its business.***

Covenants in Lyneer's debt instruments impose operating and financial restrictions on Lyneer. These restrictions prohibit or limit its ability to, among other things:

- pay cash dividends to its stockholders, subject to certain limited exceptions;
- redeem or repurchase its common stock or other equity;
- incur additional indebtedness;
- permit liens on assets;
- make certain investments (including through the acquisition of stock, shares, partnership or limited liability company interests, any loan, advance or capital contribution);

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- sell, lease, license, lend or otherwise convey an interest in a material portion of our assets; and
- sell or otherwise issue shares of its common stock or other capital stock subject to certain limited exceptions.

Lyneer's failure to comply with the restrictions in its debt instruments could result in events of default, which, if not cured or waived, could result in Lyneer being required to repay these borrowings before their due date. The holders of Lyneer's debt may require fees and expenses to be paid or other changes to terms in connection with waivers or amendments. If Lyneer is forced to refinance these borrowings on less favorable terms, Lyneer's results of operations and financial condition could be adversely affected by increased costs and rates. In addition, these restrictions may limit its ability to obtain additional financing, withstand downturns in its business or take advantage of business opportunities.

***While Lyneer's historical financial statements report net losses primarily as a result of its accounting for its acquisition by IDC in August 2021, there can be no assurance of profitability post-Merger.***

Lyneer has reported net losses of \$15,252,020, and \$3,221,058 for the years ended December 31, 2023 and 2022, respectively. The consolidated financial statements of Lyneer since August 31, 2021 reflect the post-acquisition activity of Lyneer since its acquisition by IDC, including pushdown accounting that reflects the combined lender liability and certain other indebtedness with IDC, which will be assumed by IDC as part of the Merger subject to Lyneer's and IDC's ability to restructure their outstanding joint and several debt obligations. There can be no assurance that Lyneer will operate profitably in the future.

***Lyneer has a significant amount of debt obligations and its failure to restructure or pay such obligations when due could have a material adverse impact on Lyneer's financial condition and long-term viability.***

In addition to the Merger Note that we will issue to IDC at the closing of the Merger, Lyneer's existing debt obligations currently include all of the debt obligations of IDC as a co-borrower as all of the loan arrangements entered into by Lyneer and IDC provide that such parties are jointly and severally liable for the full amount of the indebtedness. At December 31, 2023, such indebtedness totaled \$147,635,224. The joint indebtedness of Lyneer and IDC is made up of a revolving credit facility and a term loan from their senior lenders and promissory notes that are payable to the two prior owners of Lyneer. Currently, and until such obligations are either repaid in full or restructured by the lenders to release Lyneer as an obligor on such indebtedness, if IDC cannot, or does not, repay any portion of the debt owed by IDC, Lyneer could be responsible for repaying all of the outstanding obligations and Lyneer's current operations are not expected to be sufficient to make all of the necessary payments. Pursuant to an Allocation Agreement dated as of December 31, 2023, IDC agreed with Lyneer to assume responsibility for all payments under the term loan and the promissory notes payable to the two prior owners of Lyneer (the "Assumed Debt"), and all but \$35 million that is outstanding under the revolving credit facility. However, until such time as Lyneer's joint and several debt obligations are restructured, the agreement of IDC to assume all but \$35 million of the joint indebtedness is not being given effect for accounting purposes, and Lyneer will remain a joint and several obligor on such indebtedness and will be obligated to pay such indebtedness if IDC does not do so.

In addition, under the Allocation Agreement, IDC and Prateek Gattani, IDC's Chief Executive Officer and our Chairman after the Merger, have agreed for IDC to work with Lyneer to implement a plan to refinance or otherwise satisfy the Assumed Debt and to restructure their revolving credit facility with current credit availability of up to \$125,000,000 for which Lyneer is currently jointly and severally liable with IDC so that Lyneer will be obligated for only \$35 million under its own facility. At the time of such restructuring, Lyneer intends to enter into a new revolving credit facility with its current lender or a new lender that will be supportable by Lyneer's stand-alone borrowing base and is expected to be on terms similar to those of the existing agreement. It is contemplated that the new credit facility will provide credit availability to Lyneer of up to \$40,000,000 and will replace Lyneer's remaining obligations under the existing revolving credit facility. However, there can be no assurance that Lyneer will be able to support its continuing indebtedness, to generate revenues sufficient in amount to enable us to pay our indebtedness under the Merger Note, or to repay or refinance any such indebtedness when due. Lyneer's failure to comply with its obligations under its existing indebtedness following the Merger, or to repay or refinance such indebtedness when due, including our indebtedness under the Merger Note, would likely have a material adverse impact on our financial condition and long-term viability.

***Lyneer will remain jointly and severally liable for the Assumed Debt until such indebtedness is restructured to remove Lyneer as an obligor or such indebtedness is paid in full.***

As described in the previous risk factor, Lyneer will remain jointly and severally liable as a co-borrower with IDC on all loan arrangements for which they are now jointly liable until such time as such loan arrangements are restructured or paid in full. The deconsolidation of the loan obligations in the pro forma financial statements included in this registration statement will have no effect on the joint and several liability of Lyneer under its existing indebtedness. The assets of Lyneer have been pledged to the senior lender under the revolving credit facility and, in connection with the closing of the Merger, we will be required to pledge to the lender under the term loan our equity interests in Lyneer, our sole operating subsidiary, as collateral for the repayment of such loan. In the event Lyneer or IDC is unable to restructure or repay their joint and several indebtedness by July 31, 2024, or there occurs any other event of default under the revolving credit facility or the term loan, the lenders under the revolving credit facility and the term loan will be able to foreclose upon the equity and assets of Lyneer, which could result in a loss of your investment. Notwithstanding the fact that IDC and Prateek Gattani have agreed to repay the joint and several indebtedness, in the event that IDC cannot or will not repay any of such indebtedness, Lyneer may be required to make such payments. In such event, IDC would then be required to repay Lyneer for the amounts paid on IDC's behalf. As Lyneer and IDC have been unable to restructure or repay their joint and several indebtedness, all of Lyneer's joint indebtedness with IDC as of December 31, 2023 has been reclassified as current liabilities as of such date. The failure of IDC to either restructure the existing joint and several obligations to remove Lyneer as a co-borrower and/or to repay the joint and several indebtedness could have a material adverse impact on Lyneer's financial condition and its long-term viability and the market price of our common stock.

***Lyneer has been in default under its principal credit facilities and outstanding promissory notes and any additional or future defaults by Lyneer under its credit facilities could have a material adverse impact on Lyneer's financial condition and long-term viability.***

As described elsewhere in this prospectus, Lyneer has entered into several debt facilities under which it is jointly and severally liable for repayment with its current parent, IDC. Lyneer was not in compliance with all of its covenants under its revolving credit facility as of June 30, 2023. On July 14, 2023, Lyneer received notice from the lender that it was in default under such facility due to Lyneer's failure to repay a \$14,919,145 over-advance on such facility, which amount was increased to \$22,518,585 as of December 31, 2023. Further, on July 21, 2023, Lyneer received notice from the lender informing Lyneer that Lyneer may not make payments on its term loan with the lender until the over-advance payment default has been cured or waived.

As a result of such notification, Lyneer did not make subsequent payments due on the term loan. Furthermore, Lyneer did not make certain principal and interest payments due on its promissory notes payable to the sellers of Lyneer to IDC as payments to any other debt holders was prohibited by the administrative agent of the lender. Since July 2023, Lyneer has entered into forbearance agreements with its lenders pursuant to which it received waivers of its existing events of default.

On April 17, 2024, IDC and Lyneer entered into new limited consent and forbearance agreements with the lenders under which the lenders agreed, subject to satisfaction of various conditions described herein, all of which have been satisfied, to waive all existing events of default and to forbear from exercising their rights and remedies with respect to such events of default through July 31, 2024. However, if IDC and Lyneer are unable to refinance or otherwise satisfy their debt obligations prior to July 31, 2024, or there occurs any other event of default under the revolving credit facility or the term loan, IDC and Lyneer will again be in default under their revolving credit facility and the note obligations, which would likely have a material adverse effect on Lyneer's financial condition and long-term viability. As described below under "Management's Discussion and Analysis of Financial Condition and Results of Operations of Lyneer — Liquidity and Capital Resources", the lenders' consent to this offering is conditioned upon satisfaction of various covenants on the part of IDC and Lyneer, who remain jointly and severally liable, even after the completion of this offering, until all debt is restructured. Even if IDC pays in full the term loan and the promissory notes payable to the prior sellers of Lyneer and Lyneer is successful in restructuring its obligations under the revolving credit facilities, there can be no assurance that all conditions subsequent will be satisfied and that Lyneer will be able to comply with all of its obligations under such credit facilities. Any failure on the part of Lyneer

to comply with its obligations under the credit facilities could result in a default which would be expected to have a material adverse impact on Lyneer's financial condition and its long-term viability. See "Management's Discussion and Analysis of Financial Condition and Results of Operations of Lyneer."

***There is substantial doubt about Lyneer's ability to continue as a going concern as a result of the above-described events of default under its principal credit facilities.***

Given the uncertainties around Lyneer's liquidity, its accumulated deficit, recurring losses and its compliance with its covenants in its credit facilities and Lyneer's ability to refinance or repay its existing debt obligations Lyneer has concluded that there is substantial doubt about its ability to continue as a going concern for at least one year from the date of issuance of its consolidated financial statements. The accompanying consolidated financial statements have been prepared assuming Lyneer will continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Lyneer is currently attempting to refinance its debt obligations with its lenders and is negotiating other financing opportunities to provide greater flexibility. The failure of IDC and Lyneer to either restructure the existing joint and several obligations to remove Lyneer as a co-borrower and/or to repay or refinance the joint and several indebtedness by July 31, 2024 could have a material adverse impact on Lyneer's financial condition and its long-term viability and the market price of our common stock.

***Lyneer faces risks associated with litigation and claims.***

Lyneer and certain of its subsidiaries may be named as defendants in lawsuits from time to time that could cause them to incur substantial liabilities. Lyneer and certain of its subsidiaries are currently defendants in several actual or asserted class and representative action lawsuits brought by or on behalf of their current and former employees alleging violations of federal and state law with respect to certain wage and hour related matters, among other claims. The various claims made in one or more of such lawsuits include, among other things, the misclassification of certain employees as exempt employees under applicable law, failure to comply with wage statement requirements, failure to compensate certain employees for time spent performing activities related to the interviewing process, and other related wage and hour violations. Such suits seek, as applicable, unspecified amounts for unpaid overtime compensation, penalties, and other damages, as well as attorneys' fees. While all of Lyneer's existing material litigation are subject to pending settlement approvals by the applicable courts, there can be no assurance that such settlements will be approved by the courts. As a result, it is not possible to predict the outcome of these lawsuits. Notwithstanding the proposed settlements, these lawsuits, and future lawsuits that may be brought against Lyneer or its subsidiaries, may consume substantial amounts of Lyneer's financial and managerial resources and might result in adverse publicity, regardless of the ultimate outcome of the lawsuits. An unfavorable outcome with respect to these lawsuits and any future lawsuits or regulatory proceedings could, individually or in the aggregate, cause Lyneer to incur substantial liabilities or impact its operations in such a way that may have a material adverse effect upon Lyneer's business, financial condition or results of operations. In addition, an unfavorable outcome in one or more of these cases could cause Lyneer to change its compensation plans for its employees, which could have a material adverse effect upon Lyneer's business. See "Information About Lyneer — Legal Proceedings."

***Lyneer's revenue can vary because its customers can terminate their relationship with them at any time with limited or no penalty.***

Lyneer focuses on providing mid-level professional and light industrial personnel on a temporary assignment-by-assignment basis, which customers can generally terminate at any time or reduce their level of use when compared with prior periods. To avoid large placement agency fees, large companies may use in-house personnel staff, current employee referrals, or human resources consulting companies to find and hire new personnel. Because placement agencies typically charge a fee based on a percentage of the first year's salary of a new worker, companies with many jobs to fill have a large financial incentive to avoid agencies.

Lyneer's business is also significantly affected by its customers' hiring needs and their views of their future prospects. Lyneer's customers may, on very short notice, terminate, reduce or postpone their recruiting assignments with Lyneer and, therefore, affect demand for its services. As a result, a significant number of Lyneer's customers can terminate their agreements at any time, making Lyneer particularly vulnerable to a significant decrease in revenue within a short period of time that could be difficult to quickly replace. This could have a material adverse effect on Lyneer's business, financial condition and results of operations.

Lyneer's services revenue declined by \$40,169,416, or 9.1%, during the year ended December 31, 2023, as compared to the prior fiscal year. This decrease was predominantly due to the lower revenues from Lyneer's temporary placement services business due primarily to general economic pressures and lower temporary job demand. Permanent placement and other services decreased by \$2,606,962, or 36.0%, due to lower permanent job demand and a lack of qualified workers seeking permanent placement employment.

Most of Lyneer's contracts do not obligate its customers to utilize a significant amount of Lyneer's staffing services and may be cancelled on limited notice, so Lyneer's revenue is not guaranteed. Substantially all of Lyneer's revenue is derived from multi-year contracts that are terminable for convenience. Under Lyneer's multi-year agreements, Lyneer contracts to provide customers with staffing services through work or service orders at the customers' request. Under these agreements, Lyneer's customers often have little or no obligation to request Lyneer's staffing services. In addition, most of Lyneer's contracts are cancellable on limited notice, even if Lyneer is not in default under the contract. Lyneer may hire employees permanently to meet anticipated demand for services under these agreements that may ultimately be delayed or cancelled. Lyneer could face a significant decline in revenues and its business, financial condition or results of operations could be materially adversely affected if:

- Lyneer sees a significant decline in the staffing services requested under its service agreements; or
- Lyneer's customers cancel or defer a significant number of staffing requests; or Lyneer's existing customer agreements expire or lapse and it cannot replace them with similar agreements.

***Lyneer has client concentration and the loss of a significant client could adversely affect Lyneer's business operations and operating results.***

Lyneer has one client that represented approximately 16% and 18% of Lyneer's 2023 and 2022 revenues, respectively. No other customer accounted for more than 10% of Lyneer's revenues in either period. The client's contract with Lyneer consists of a master service agreement ("MSA") for temporary employee services with various customer locations entering into separate service annexes. None of the revenues from a specific location exceeded 5% of the aggregate revenue associated with the client. The current term of the MSA expires in January 2025 and automatically renews for one-year subsequent terms. However, the client may terminate the agreement for convenience at any time, subject to any accrued payment obligations. If this client were to terminate its relationship with Lyneer, Lyneer would face a material decrease in revenues if it is unable to replace the client's lost revenues. This, in turn, would be expected to have a material adverse effect on Lyneer's business and financial condition.

***Lyneer could be harmed by improper disclosure or loss of sensitive or confidential company, employee, associate or customer data, including personal data.***

In connection with the operation of its business, Lyneer stores, processes and transmits a large amount of data, including personnel and payment information, about its employees, customers, associates and candidates, a portion of which is confidential and/or personally sensitive. In doing so, Lyneer relies on its own technology and systems, and those of third-party vendors it uses for a variety of processes. Lyneer and its third-party vendors have established policies and procedures to help protect the security and privacy of this information. Unauthorized disclosure or loss of sensitive or confidential data may occur through a variety of methods. These include, but are not limited to, systems failure, employee negligence, fraud or misappropriation, or unauthorized access to or through our information systems, whether by Lyneer's employees or third parties, including a cyberattack by computer programmers, hackers, members of organized crime and/or state-sponsored organizations, who may develop and deploy viruses, worms or other malicious software programs.

While Lyneer maintains cyber insurance with respect to many such claims and has provisions of agreements with third-parties that detail security obligations and typically have indemnification obligations related to the same, any such unauthorized disclosure, loss or breach could harm Lyneer's reputation and subject Lyneer to government sanctions and liability under its contracts and laws that protect sensitive or personal data and confidential information, resulting in increased costs or loss of revenues. It is possible that security controls over sensitive or confidential data and other practices that Lyneer and its third-party vendors follow may not prevent the improper access to, disclosure of, or loss of such information. Further, data privacy is subject to frequently changing rules and regulations, which sometimes conflict among the various jurisdictions in which Lyneer provides services. Any failure or perceived failure to successfully manage the collection, use, disclosure, or security of personal information or other privacy related matters, or any failure to comply with changing regulatory requirements in this area, could result in legal liability or

impairment to Lyneer's reputation in the marketplace. Following consummation of the Merger, our board of directors and its audit committee will consult with Lyneer's management and will be briefed by, and receive appropriate recommendations from, management on matters associated with regulatory compliance and security.

***Lyneer has been and may be exposed to employment-related claims and losses, including class action lawsuits that could have a material adverse effect on its business.***

Lyneer employs people internally and in the workplaces of other businesses. Many of these individuals have access to customer information systems and confidential information. The risks of these activities include possible claims relating to:

- discrimination and harassment;
- wrongful termination or denial of employment;
- violations of employment rights related to employment screening or privacy issues;
- classification of temporary workers;
- assignment of illegal aliens;
- violations of wage and hour requirements;
- retroactive entitlement to temporary worker benefits;
- errors and omissions by Lyneer's temporary workers;
- misuse of customer proprietary information;
- misappropriation of funds;
- damage to customer facilities due to negligence of temporary workers; and
- criminal activity.

Lyneer may incur fines and other losses or negative publicity with respect to these problems. In addition, these claims may give rise to litigation, which could be time-consuming and expensive. New employment and labor laws and regulations may be proposed or adopted that may increase the potential exposure of employers to employment-related claims and litigation. There can be no assurance that the corporate policies Lyneer has in place to help reduce its exposure to these risks will be effective or that Lyneer will not experience losses as a result of these risks. There can also be no assurance that the insurance policies Lyneer has purchased to insure against certain risks will be adequate or that insurance coverage will remain available on reasonable terms or be sufficient in amount or scope of coverage.

***Long-term contracts do not comprise a significant portion of Lyneer's revenue.***

Because long-term contracts are not a significant part of Lyneer's staffing services business, future results cannot be reliably predicted by considering past trends or extrapolating past results. Additionally, Lyneer's clients will frequently enter nonexclusive arrangements with several firms, which the client is generally able to terminate on short notice and without penalty. The nature of these arrangements further exacerbates the difficulty in predicting Lyneer's future results.

***Lyneer may be unable to find sufficient candidates for its talent solutions business.***

Lyneer's talent solutions services business consists of the placement of individuals seeking employment. There can be no assurance that candidates for employment will continue to seek employment through Lyneer. Candidates generally seek contract or permanent positions through multiple sources, including Lyneer and its competitors. Before the COVID-19 pandemic, unemployment in the U.S. was at historic lows and during the second half of 2021, as the economy recovered, competition for workers in a number of industries became intense. When unemployment levels are low, finding sufficient eligible candidates to meet employers' demands is more challenging. Although unemployment has risen in some areas in which Lyneer operates, talent shortages have persisted in a number of disciplines and jurisdictions. Any shortage of candidates could materially adversely affect Lyneer's business or financial condition.

***Lyneer's growth of operations could strain its resources and cause its business to suffer.***

While Lyneer plans to continue growing its business organically through expansion, sales efforts, and strategic acquisitions, while maintaining tight controls on its expenses and overhead, lean overhead functions combined with

focused growth may place a strain on its management systems, infrastructure and resources, resulting in internal control failures, missed opportunities, and staff attrition that could have a negative impact on its business and results of operations.

***Lyneer is dependent on its management personnel and employees, and a failure to attract and retain such personnel could harm its business.***

Lyneer is engaged in the services business. As such, its success or failure is highly dependent upon the performance of its management personnel and employees, rather than upon tangible assets (of which Lyneer has few). There can be no assurance that Lyneer will be able to attract and retain the personnel that are essential to its success.

***Lyneer's results of operations can be negatively impacted by variable costs.***

Lyneer's results of operations can be negatively impacted by, among other things, changes in unemployment tax rates, changes in workers' compensation insurance rates and claims relating to audits, and write-offs of uncollectible customer receivables.

***Lyneer's expansion and acquisition strategy may not be executed effectively.***

Lyneer's plan for strategic growth is dependent upon finding suitable acquisition targets and executing upon the transactions in a viable manner. Lyneer has not reached any definitive agreement with any acquisition targets, and Lyneer cannot assure you that it will consummate any acquisition on favorable terms or at all.

**Risks Related to Atlantic's Business**

***Atlantic's lack of operating history.***

Atlantic was formed in Delaware on October 6, 2022 as a special purpose vehicle (SPV) to acquire control of one or more reporting public companies. Atlantic has had no commercial operations other than raising funds in a private placement, organizational activities and negotiating with several entities for the acquisition of control of a public company and funding the transaction.

Therefore, Atlantic's operations are subject to all of the risks inherent in the establishment of a new business, including the absence of an operating history.

***Development stage company and lack of financial information.***

Atlantic was recently formed and has been engaged in organization activities, a private financing, the negotiations for its merger with Lyneer and us and negotiations for this offering. As a result, there are no financial statements of Atlantic. The risks involving Atlantic's business include the problems, expenses, difficulties and delays that could not be anticipated when Atlantic was formed.

***Atlantic must avoid any conflicts of interest post-merger.***

Following the Merger, the management of Atlantic will become our management. They will be required under corporate law to direct substantially all of their business time to that of our company, exclusive of any transaction that may not be a corporate opportunity for us. Therefore, the current management of Atlantic will be required, under their employment agreements with us, to direct substantially all of their business time to our affairs, and Atlantic is not expected to have significant revenues, if any, in the near future.

***Risks of Atlantic's roll-up strategy.***

Atlantic's proposed roll-up strategy, which, following the Merger will become our roll-up strategy and a growth strategy of our company, assumes, in part, that following the Merger, we will be able to convince smaller firms that they can increase their profitability and market share through an affiliation with us and the use of our infrastructure, systems and programs. The strategy will be to purchase, or merge with, smaller businesses in the staffing industry, thus decreasing certain operating inefficiencies and increasing economics of sale. Should these assumptions be incorrect, Atlantic's strategy is unlikely to succeed. We will depend upon the abilities of people who own the businesses we acquire, or on the managers they employ. In addition, we must be able to attract and retain qualified personnel at all levels of operations and maintain the same levels of quality control over our services as Lyneer currently offers its clients. Unless we are able to manage such expanded operations in a manner

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consistent with Lyneer's present practice, Lyneer's operations may be adversely affected. Although Atlantic's senior management has extensive experience in managing acquired operations, there can be no assurance that any acquired operations will be profitable. Thus, there can be no assurance that we will be successful in Atlantic's roll-up strategy, that such strategy will result in increased profits, or that following the Merger, we can obtain, on affordable terms, any additional financing that might be necessary to affect our growth strategy.

### ***Atlantic's strategy of growing our company through acquisitions may impact our business in unexpected ways.***

Atlantic's growth strategy for our company following the Merger involves acquisitions that will help us expand our service offerings and diversify our geographic footprint. It is expected that, following the Merger, we will continuously evaluate acquisition opportunities. However, there can be no assurance that we will be able to identify acquisition targets that complement our strategy and are available at valuation levels accretive to our business. Even if we are successful in acquiring additional entities, our acquisitions may subject our business to risks that may impact our results of operations, including:

- our inability to integrate acquired companies effectively and realize anticipated synergies and benefits from the acquisitions;
- the diversion of management's attention to the integration of the acquired businesses at the expense of delivering results for the legacy business;
- our inability to appropriately scale critical resources to support the business of the expanded enterprise and other unforeseen challenges of operating the acquired business as part of Lyneer's operations;
- our inability to retain key employees of the acquired businesses and/or inability of such key employees to be effective as part of Lyneer's operations;
- the impact of liabilities of the acquired businesses undiscovered or underestimated as part of the acquisition due diligence;
- our failure to realize anticipated growth opportunities from a combined business, because existing and potential customers may be unwilling to consolidate their business with a single supplier or to stay with the acquirer post-acquisition;
- the impacts of cash on hand and debt incurred to finance acquisitions, thus reducing liquidity for other significant strategic objectives;
- the internal controls over financial reporting, disclosure controls and procedures, corruption prevention policies, human resources and other key policies and practices of the acquired companies may be inadequate or ineffective;
- as a public company, we are required to continue to comply with the rules and regulations of the SEC and, upon the listing of our securities on the CBOE, the CBOE in order to maintain our CBOE listing and, as a substantially larger company, we will require increased marketing, compliance, accounting and legal costs; and
- notwithstanding the fact that any future acquisitions may or may not continue to operate as independent entities in their particular markets, keeping their own brand identity and management teams, we will, in all likelihood, require our lenders' approval under existing loan covenants.

### **General Risks Affecting Our Business**

#### ***Our expansion and acquisition strategy may not be executed effectively.***

Our plan for strategic growth is dependent upon finding suitable acquisition targets and executing upon the transactions in a viable manner. We have not reached any definitive agreement with any acquisition targets, and we cannot assure you that we will consummate any acquisition on favorable terms or at all.

#### ***We will be required to raise additional funds prior to the maturity date of the Merger Note to repay such note and our other outstanding indebtedness and to support our future capital needs.***

We believe the net proceeds from this offering, together with our cash on hand and cash generated from operations, will not be sufficient to pay the Merger Note and our other outstanding indebtedness in full when due and to fund our ongoing operations. As stated above, Lyneer has been in default under its principal credit facilities



and outstanding promissory notes and any future defaults by Lyneer under its credit facilities could have a material adverse impact on Lyneer's financial condition and long-term viability. Under the forbearance agreements dated April 17, 2024, Lyneer is required to seek significant future financing prior to July 31, 2024 to restructure the outstanding indebtedness that is the subject of such forbearance agreements. In addition, we are required to seek additional financing prior to July 31, 2024, the maturity date of the Merger Note, to repay the Merger Note when due. Thereafter, we will be required to seek financing to pay or refinance our other outstanding indebtedness.

We cannot assure you that we will be able to obtain additional funds on acceptable terms, or at all. Our ability to obtain additional financing will be subject to market conditions, our operating performance and investor sentiment, among other factors. If we raise additional funds by issuing equity or equity-linked securities, our stockholders may experience dilution. Future debt financing, if available, may involve covenants restricting our operations or our ability to incur additional debt. Any debt or equity financing may contain terms that are not favorable to us or our stockholders. Any of these factors could have a material adverse effect on growth strategy including any acquisition.

To the extent that we raise additional capital through the sale of equity or convertible debt securities, the issuance of those securities could result in substantial dilution for our current stockholders. The terms of any securities issued by us in future capital transactions may be more favorable to new investors, and may include preferences, superior voting rights and the issuance of warrants or other derivative securities, which may have a further dilutive effect on the holders of any of our securities then-outstanding. We may issue additional shares of our common stock or securities convertible into or exchangeable or exercisable for our common stock in connection with hiring or retaining personnel, option or warrant exercises, future acquisitions or future placements of our securities for capital-raising or other business purposes. The issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of our common stock to decline further and existing stockholders may not agree with our financing plans or the terms of such financings.

In addition, we may incur substantial costs in pursuing future capital financing, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. We may also be required to recognize non-cash expenses in connection with certain securities we issue, such as convertible notes and warrants, which may adversely impact our financial condition.

Furthermore, any additional debt or equity financing that we may need may not be available on terms favorable to us, or at all. If we are unable to obtain such additional financing on a timely basis, we may have to curtail our development activities and growth plans and/or be forced to sell assets, perhaps on unfavorable terms, which would have a material adverse effect on our business, financial condition and results of operations, and we ultimately could be forced to discontinue our operations and liquidate, in which event it is unlikely that stockholders would receive any distribution on their shares. Further, we may not be able to continue operating if we do not generate sufficient revenues from operations needed to stay in business.

***The requirements of complying with the Exchange Act and the Sarbanes-Oxley Act may strain our resources and distract management.***

We are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Sarbanes-Oxley Act of 2002. The costs associated with these requirements may place a strain on our systems and resources. The Exchange Act requires that we file annual, quarterly and current reports with respect to our business and financial condition. The Sarbanes-Oxley Act requires that we maintain effective disclosure controls and procedures and internal controls over financial reporting. Historically, we have maintained a small accounting staff and use supplemental resources such as contractors and consultants to provide additional accounting and finance support. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant additional resources and management oversight may be required. This effort may divert management's attention from other business concerns, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, we may need to hire additional accounting and financial persons with appropriate public company experience and technical accounting knowledge. Failure to properly hire, train and supervise the work of our accounting staff could lead to a material weakness in our control environment and our internal controls, including internal controls over financial reporting.

***Disruption of critical information technology systems or material breaches in the security of our systems could harm our business, customer relations and financial condition.***

Information technology ("IT") helps us to operate efficiently, interface with customers, maintain financial accuracy and efficiently and accurately produce our financial statements. IT systems are used extensively in virtually

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all aspects of our business, including sales forecast, order fulfilment and billing, customer service, logistics, and management of data from running samples on our products. Our success depends, in part, on the continued and uninterrupted performance of our IT systems. IT systems may be vulnerable to damage from a variety of sources, including telecommunications or network failures, power loss, natural disasters, human acts, computer viruses, computer denial-of-service attacks, unauthorized access to customer or employee data or company trade secrets, and other attempts to harm our systems. Certain of our systems are not redundant, and our disaster recovery planning is not sufficient for every eventuality. Despite any precautions we may take, such problems could result in, among other consequences, disruption of our operations, which could harm our reputation and financial results.

If we do not allocate and effectively manage the resources necessary to build and sustain the proper IT infrastructure, we could be subject to transaction errors, processing inefficiencies, loss of customers, business disruptions or loss of or damage to intellectual property through security breach. If our data management systems do not effectively collect, store, process and report relevant data for the operation of our business, whether due to equipment malfunction or constraints, software deficiencies or human error, our ability to effectively plan, forecast and execute our business plan and comply with applicable laws and regulations will be impaired, perhaps materially. Any such impairment could materially and adversely affect our reputation, financial condition, results of operations, cash flows and the timeliness with which we report our internal and external operating results.

***Security breaches and other disruptions could compromise our information and expose us to liability, which would cause our business and reputation to suffer.***

In the ordinary course of our business, we collect and store sensitive data, including intellectual property, our proprietary business information and that of our customers, suppliers and business partners, and personally identifiable information of our employees, on our networks. The secure processing, maintenance and transmission of this information is critical to our operations. Despite our security measures, our IT infrastructure may be vulnerable to attacks by hackers, computer viruses, malicious codes, unauthorized access attempts, and cyber- or phishing-attacks, or breached due to employee error, malfeasance, faulty password management or other disruptions. Third parties may attempt to fraudulently induce employees or other persons into disclosing usernames, passwords or other sensitive information, which may in turn be used to access our IT systems, commit identity theft or carry out other unauthorized or illegal activities. Any such breach could compromise our networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, disruption of our operations and damage to our reputation, which could divert our management's attention from the operation of our business and materially and adversely affect our business, revenues and competitive position. Moreover, we may need to increase our efforts to train our personnel to detect and defend against cyber- or phishing-attacks, which are becoming more sophisticated and frequent, and we may need to implement additional protective measures to reduce the risk of potential security breaches, which could cause us to incur significant additional expenses.

***We are subject to certain U.S. and foreign anti-corruption, anti-money laundering, export control, sanctions, and other trade laws and regulations. We can face serious consequences for violations.***

Among other matters, U.S. and foreign anti-corruption, anti-money laundering, export control, sanctions, and other trade laws and regulations, which are collectively referred to as Trade Laws, prohibit companies and their employees, agents, clinical research organizations, legal counsel, accountants, consultants, contractors, and other partners from authorizing, promising, offering, providing, soliciting or receiving, directly or indirectly, corrupt or improper payments or anything else of value to or from recipients in the public or private sector. Violations of Trade Laws can result in substantial criminal fines and civil penalties, imprisonment, the loss of trade privileges, debarment, tax reassessments, breach of contract and fraud litigation, reputational harm, and other consequences. We have direct or indirect interactions with officials and employees of government agencies or government-affiliated hospitals, universities, and other organizations.

### **Risks Related to this Offering and Ownership of Our Common Stock and Warrants**

***The market price of our common stock and the warrants offered hereby may be highly volatile, and you could lose all or part of your investment.***

The market price of our common stock and accompanying warrants offered hereby may be highly volatile. You may be unable to sell your shares of common stock or warrants at or above the offering price. The market prices of our common stock and warrants could be subject to wide fluctuations in response to a variety of factors, which include:

- actual or anticipated fluctuations in our financial condition and operating results;

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- announcements of technological innovations by us or our competitors;
- announcements by our customers, partners or suppliers relating directly or indirectly to our products, services or technologies;
- overall conditions in our industry and market;
- addition or loss of significant customers;
- changes in laws or regulations applicable to our products;
- actual or anticipated changes in our growth rate relative to our competitors;
- announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures, capital commitments or achievement of significant milestones;
- additions or departures of key personnel;
- competition from existing products or new products that may emerge;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- disputes or other developments related to proprietary rights, including patents, litigation matters or our ability to obtain intellectual property protection for our technologies;
- announcement or expectation of additional financing efforts;
- sales of our common stock or warrants by us or our stockholders;
- increases in the number of shares of our common stock issuable upon exercise of the Series A Warrants;
- stock price and volume fluctuations attributable to inconsistent trading volume levels of our shares;
- reports, guidance and ratings issued by securities or industry analysts; and
- general economic and market conditions.

If any of the forgoing occurs, it could cause our common stock and warrant prices or trading volumes to decline. Stock markets in general and the market for companies in our industry in particular have experienced price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, may negatively impact the market prices of our common stock. You may not realize any return on your investment in us and may lose some or all of your investment.

### ***The price of our common stock could be subject to rapid and substantial volatility.***

There have been instances of extreme stock price run-ups followed by rapid price declines and strong stock price volatility with recent public offerings, especially among those with relatively smaller public floats. As a smaller-capitalization company with a small public float, we may experience greater stock price volatility, extreme price run-ups, lower trading volume, and less liquidity than larger-capitalization companies. In particular, our common stock may be subject to rapid and substantial price volatility, low volumes of trades, and large spreads in bid and asked prices. Such volatility, including any stock run-ups, may be unrelated to our actual or expected operating performance and financial condition or prospects, making it difficult for prospective investors to assess the rapidly changing value of our shares of common stock.

In addition, if the trading volumes of our common stock are low, persons buying or selling in relatively small quantities may easily influence the price of our common stock. This low volume of trades could also cause the price of our common stock to fluctuate greatly, with large percentage changes in price occurring in any trading day session. Holders of our common stock may also not be able to readily liquidate their investment or may be forced to sell at depressed prices due to low volume trading. Broad market fluctuations and general economic and political conditions may also adversely affect the market price of our common stock. As a result of this volatility, investors may experience losses on their investment in our common stock. A decline in the market price of our common stock also could adversely affect our ability to issue additional shares of common stock or other of our securities and our

ability to obtain additional financing in the future. There can be no assurance that an active market in our common stock will be sustained. If an active market is not sustained, holders of our common stock may be unable to readily sell the shares they hold or may not be able to sell their shares at all.

***We may be subject to securities litigation, which is expensive and could divert our management's attention.***

The market price of our securities may be volatile, and in the past companies that have experienced volatility in the market price of their securities have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, which could seriously harm our business.

***Our directors, executive officers and principal stockholders will continue to have substantial control over our company after this offering, which could limit your ability to influence the outcome of key transactions, including a change of control.***

Upon completion of the Merger and this offering, our executive officers, directors, senior management and consultants, and their affiliates will own approximately 8,862,400 shares of our common stock, or approximately 68.2% of the 13,000,000 outstanding shares of our common stock, based on the number of shares outstanding as of the date of this prospectus, assuming the sale of 2,000,000 shares in this offering at an assumed public offering price of \$10.00 per Unit and the escrowing at the closing of the Merger of 819,352 shares in respect of our failure to issue a previously-approved stock dividend in the amount of such number of shares, and assuming the underwriters' over-allotment option is not exercised. As a result, these stockholders will be able to exercise a significant level of control over all matters requiring stockholder approval, including the election of directors and the approval of mergers, acquisitions or other extraordinary transactions. They may also have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. This concentration of ownership may have the effect of delaying, preventing or deterring a change of control of our company, could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our company and might ultimately affect the market price of our common stock.

***Following the closing of this offering and the Merger, a default by IDC, which will be our principal stockholder, on the joint and several debt obligations of IDC and our Lyneer subsidiary could result in a change of control of our company.***

Upon completion of this offering, our principal stockholder, IDC, will own approximately 42.3% of our issued and outstanding common stock, assuming a public offering price of \$10.00 per Unit. In order to secure the current joint and several debt obligations of IDC and Lyneer until such time as such indebtedness can be restructured or repaid, upon the closing of this offering and the Merger, we will pledge to the lender under the Term Note our equity ownership of Lyneer and IDC will pledge to such lender its equity ownership in our company. In the event of an event of default under the joint and several debt obligations of IDC and Lyneer under the Term Note, the lender under the Term Note would be able to foreclose on our equity interest in Lyneer and upon IDC's equity ownership of our company. Any foreclosure upon our equity in Lyneer and/or IDC's common stock of our company by the lender, or any sales by the lender of IDC's common stock of our company, may have an adverse effect on the market price of our common stock resulting in a diminution in the value of your investment. See "Principal Stockholders."

***If our shares become subject to the penny stock rules, it would become more difficult to trade our shares.***

The SEC has adopted rules that regulate broker-dealer practices in connection with transactions in penny stocks. Penny stocks are generally equity securities with a price of less than \$5.00, other than securities registered on certain national securities exchanges or authorized for quotation on certain automated quotation systems, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system. If we do not retain a listing on the CBOE and if the price of our common stock is less than \$5.00, our common stock will be deemed a penny stock. The penny stock rules require a broker-dealer, before a transaction in a penny stock not otherwise exempt from those rules, to deliver a standardized risk disclosure document containing specified information. In addition, the penny stock rules require that before effecting any transaction in a penny stock not otherwise exempt from those rules, a broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive (i) the purchaser's written acknowledgment of the receipt of a risk disclosure statement; (ii) a written agreement to transactions involving penny stocks; and (iii) a

signed and dated copy of a written suitability statement. These disclosure requirements may have the effect of reducing the trading activity in the secondary market for our common stock, and therefore stockholders may have difficulty selling their shares.

***The Series A Warrants and the Series B Warrants offered by this prospectus may dilute your investment and cause our stock price to decline.***

The Series A Warrants and the Series B Warrants offered by this prospectus will be exercisable for five years from the date we receive stockholder approval to the exercise price reset provisions in the Series A Warrants and the alternative cashless exercise provisions in the Series B Warrants (“Stockholder Approval”) at assumed initial exercise prices equal to \$13.00 and \$20.00 (130% and 200%, respectively, of the assumed public offering price per Unit in this offering). However, subject to Stockholder Approval, the exercise price of the Series A Warrants will be reduced on each trading day (each a “Reset Date”) commencing on the third trading day immediately following the date of effectiveness of the Stockholder Approval until the 40<sup>th</sup> trading day following such effective date (the “Reset Period”) to a new exercise price equal to the lower of (i) the then exercise price, taking into account any prior reductions to the exercise price, and (ii) a price equal to 105% of the lowest per share volume weighted average price (VWAPs) of the common stock on the CBOE on any trading day during the period from the closing date of this offering to such Reset Date (the “Price Adjustment Provisions”). In the event the Series A Warrants are exercised during the Reset Period, the “Reset Date” for such portion of the Series A Warrants being exercised shall be the date on which the Notice of Exercise is delivered and with respect to such portion of the Series A Warrants so exercised the Exercise Price shall not be subsequently reset during the remainder of the Reset Period (and any unexercised portion of the Series A Warrants shall remain subject to further adjustments until the end of the Reset Period). In addition, subject to Stockholder Approval, the holders of a Series B Warrant may, at any time and in their sole discretion, exercise such Series B Warrants in whole or in part by means of an “alternative cashless exercise” in which a holder will be entitled to receive, without the payment of additional consideration, a number of shares of common stock issuable upon exercise that will equal the product of (a) the number of shares of common stock that would be issuable upon exercise of such warrant in accordance with the terms of such warrant if such exercise were by means of a cash exercise rather than a cashless exercise and (b) the quotient obtained by dividing (i) the exercise price minus the lowest VWAP on any trading day during the ten trading days immediately prior to the applicable exercise date by (ii) 50% of the lowest VWAP on any trading day during the ten trading days immediately prior to the applicable exercise date (the “Alternative Cashless Exercise Provisions”). In the Series A Warrants, we will agree to obtain majority stockholder consent to the effectiveness of the Price Adjustment Provisions in the Series A Warrants, and in the Series B Warrants, we will agree to obtain majority stockholder consent to the effectiveness of the Alternative Cashless Exercise Provisions in the Series B Warrants, in each case by filing an information statement with the SEC within 15 days of the closing of this offering that will become effective 20 days after filing of such information statement. In the event the closing price of our common stock is below \$.01 for five (5) consecutive trading days, we will be required to promptly effect a reverse stock split of our common stock.

While a holder will not have the right to exercise any portion of the Series A Warrants or Series B Warrants if the holder (together with its affiliates) would beneficially own in excess of 4.99% (or, upon election of the holder, 9.99%) of the number of shares of our common stock outstanding immediately after giving effect to the exercise, as such percentage ownership is determined in accordance with the terms of the warrants, the aggregate number of shares of common stock that may be issuable upon exercise of the Series B Warrants cannot be determined until such time that, following our receipt of Stockholder Approval of the Alternative Cashless Exercise Provisions, the number of shares issuable upon an “alternative cashless exercise” of the Series B Warrants is determined from time to time during the life of the Series B Warrants. Such number of shares of common stock is expected to be substantial and to be dilutive to the holders of the outstanding shares of our common stock upon the exercise from time to time of such warrants. In addition to causing the market price of our common stock to decline, such sales could also greatly increase the volatility associated with the trading of our common stock. Furthermore, stockholders may initiate securities class action lawsuits if the market price of our common stock drops significantly.

***Future sales of shares by existing stockholders and by the holders of the Series A Warrants and Series B Warrants to be issued in this offering could cause our stock price to decline.***

If our existing stockholders sell, or indicate an intent to sell, substantial amounts of our common stock in the public market, the trading price of our common stock could decline significantly and could decline below the public offering price of the shares sold in this offering. After giving effect to the consummation of the Merger and this offering, we will have 13,000,000 outstanding shares of common stock based upon an assumed public offering price of \$10.00 per Unit including 819,352 shares that will be escrowed for issuance to our pre-Merger stockholders and

assuming no exercise of outstanding options and warrants. Of the 13,000,000 shares, approximately 1,120,648 shares will be held by our non-affiliated stockholders and, together with the 2,000,000 shares of common stock in the Units offered hereby, and any shares sold pursuant to the underwriters' option to purchase additional shares, will be immediately freely tradable, without restriction, in the public market. If our non-affiliated stockholders sell substantial amounts of our common stock in the public market, or if the public perceives that such sales could occur, this could have an adverse impact on the market price of our common stock, even if there is no relationship between such sales and the performance of our business. We also have registered all shares of common stock that we may issue under our equity compensation plans. As a result, such shares can be freely sold in the public market upon issuance, subject to volume limitations applicable to affiliates and the lock-up agreements described in the "Underwriting" section of this prospectus. Our non-affiliated stockholders are not subject to any lock-up agreements.

After the expiration of the lock-up agreements pertaining to this offering with our directors, executive officers and stockholders owning 5% or more (calculated on a fully diluted basis) of our outstanding shares of common stock, up to approximately 9,040,000 additional shares will be eligible for sale in the public market. If our existing stockholders sell substantial amounts of our common stock in the public market, or if the public perceives that such sales could occur, this could have an adverse impact on the market price of our common stock, even if there is no relationship between such sales and the performance of our business.

In addition to such shares of common stock, as discussed in the immediately preceding risk factor, the holders of the Series B Warrants will, subject to our receipt of the Stockholder Approval of the Alternative Cashless Exercise Provisions, be entitled to receive upon exercise of such warrants a number of shares of our common stock that cannot currently be calculated and may be substantial relative to the number of Units that are sold in this offering. Such shares also may be freely sold without restriction in the public market upon issuance, which could have an adverse impact on the market price of our common stock. The public's perception that such sales could occur may also have an adverse impact on the market price of our common stock.

***A Series A Warrant, Series B Warrant or Pre-Funded Warrant does not entitle the holder to any rights as a common stockholder until the holder exercises such warrant for a share of our common stock.***

Until you acquire shares of our common stock upon exercise of your Series A Warrants, Series B Warrants or Pre-Funded Warrants, your warrants will not provide you any rights as a common stockholder. Upon exercise of your warrants, you will be entitled to exercise the rights of a common stockholder only as to matters for which the record date occurs after the exercise date.

***Certain beneficial provisions in the Series A Warrants and the Series B Warrants will not be effective until we are able to receive stockholder approval of such provisions, and if we are unable to obtain such approval such warrants will have significantly less value.***

The exercise price reset provisions in the Series A Warrants and the alternative cashless exercise provisions in the Series B Warrants will not be effective until and unless we obtain Stockholder Approval. While we are required to obtain Stockholder Approval and, in connection therewith, to file an information statement with the SEC within 15 days of the closing of this offering, which will become effective 20 days after such filing, there is no guarantee that such Stockholder Approval will be obtained. If we are unable to obtain such Stockholder Approval, we will be in breach of certain covenants in the Series A Warrants and the Series B Warrants, the foregoing provisions will not become effective and the Series A Warrants and Series B Warrants will have substantially less value. In addition, we will incur substantial cost, and management will devote substantial time and attention, in attempting to obtain such Stockholder Approval. An uncured breach of our obligation to obtain Stockholder Approval of the exercise price reset provisions in the Series A Warrants and the alternative cashless exercise provisions in the Series B Warrants could cause us to incur substantial liabilities that may have a material adverse effect on our business, financial condition and results of operations.

***There is no public market for the Units, the Series A Warrants, the Series B Warrants or the Pre-Funded Warrants being offered in this offering.***

There is no established public trading market on any national securities exchange or other nationally recognized trading market for the Units, the Series A Warrants, the Series B Warrants or the Pre-Funded Warrants being offered in this offering. We do not intend to list the Units, the Series A Warrants, the Series B Warrants or the Pre-Funded Warrants on any national securities exchange or other nationally-recognized trading market.

***If you purchase shares in this offering, you will suffer immediate dilution of your investment in the shares of common stock comprising with Units.***

The public offering price of the shares of common stock offered hereby will be substantially higher than the net tangible book value per share of our common stock. Therefore, if you purchase shares in this offering, you will pay a price per share of the common stock that substantially exceeds our net tangible book value per share after consummation of the Merger and this offering. Based on an assumed public offering price of \$10.00 per Unit in this offering, you will experience immediate dilution of \$11.83 per share, representing the difference between our pro forma net tangible book value per share, after giving effect to the consummation of the Merger and this offering, and the assumed public offering price.

***A reverse stock split of our common stock may decrease the liquidity of the shares of our common stock.***

The liquidity of the shares of our common stock may be affected adversely by a reverse stock split of our common stock given the reduced number of shares that will be outstanding following the reverse stock split, especially if the market price of our common stock does not increase as a result of the reverse stock split. In addition, the Series A Warrants provide that in the event of a reverse stock split (as well as other Stock Combination Events, as defined), the exercise price of the Series A Warrants will be reduced on each trading day commencing on the second trading day immediately following such Stock Combination Event until the 40<sup>th</sup> trading day following such Stock Combination Event (each a “Stock Combination Reset Date”) to a new exercise price equal to the lower of (i) the then exercise price, taking into account any prior reductions to the exercise price, and (ii) a price equal to 100% of the lowest VWAP of the common stock on the CBOE on any trading day during the period from the date of such Stock Combination Date to such Stock Combination Reset Date. Any such reduction of the exercise price of the Series A Warrants may adversely affect the market price of our common stock, which in turn may decrease the liquidity of our common stock.

The Series B Warrants require us to effect a reverse stock split in the event the closing price of our common stock is less than \$.01 per share for five consecutive trading days.

***We are an “emerging growth company” and the reduced disclosure requirements applicable to emerging growth companies could make our common stock less attractive to investors.***

We are an “emerging growth company,” as defined in the JOBS Act. We may remain an emerging growth company until as late as December 2026 (the fiscal year-end following the fifth anniversary of the completion of our initial public offering), though we may cease to be an emerging growth company earlier under certain circumstances, including (1) if the market value of our common stock that is held by non-affiliates exceeds \$700,000,000 as of any June 30, in which case we would cease to be an emerging growth company as of the following December 31, or (2) if our gross revenue exceeds \$1.235 billion in any fiscal year. Emerging growth companies may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our 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. Investors could find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

In addition, Section 102 of the JOBS Act also provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended, or the Securities Act, for complying with new or revised accounting standards. An emerging growth company can therefore delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have irrevocably elected to avail ourselves of this exemption from new or revised accounting standards and, therefore, we will not be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

***Because we have elected to use the extended transition period for complying with new or revised accounting standards for an emerging growth company our financial statements may not be comparable to companies that comply with public company effective dates.***

We have elected to use the extended transition period for complying with new or revised accounting standards under Section 102(b)(1) of the JOBS Act. This election allows us 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 a result of this election, our financial statements may not be comparable to companies that comply with public company effective dates, and thus investors may have difficulty evaluating or comparing our business, performance or prospects in comparison to other public companies, which may have a negative impact on the value and liquidity of our common stock.

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

Provisions in our certificate of incorporation and bylaws, as amended and restated as of the closing of this offering, may have the effect of delaying or preventing a change of control or changes in our management. Our amended and restated certificate of incorporation and bylaws include provisions that:

- authorize our board of directors to issue, without further action by the stockholders, up to 20,000,000 shares of undesignated preferred stock and up to 300,000,000 shares of authorized but unissued shares of common stock;
- require that any action to be taken by our stockholders be effected at a duly called annual or special meeting and not by written consent;
- specify that special meetings of our stockholders can be called only by our board of directors, the Chairman of the Board, the Chief Executive Officer or the President;
- establish an advance notice procedure for stockholder approvals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to our board of directors;
- provide that our directors may be removed only for cause; and
- provide that vacancies on our board of directors may be filled only by a majority of directors then in office, even though less than a quorum.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which limits the ability of stockholders owning in excess of 15% of our outstanding voting stock to merge or combine with us.

***Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for certain litigation that may be initiated by our stockholders.***

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory law or Delaware common law, subject to certain exceptions: (1) any derivative action or proceeding brought on our behalf; (2) any action asserting a claim of breach of a fiduciary duty or other wrongdoing by any of our directors, officers, employees or agents to us or our stockholders; (3) any action asserting a claim against us arising pursuant to provisions of the Delaware General Corporation Law or our amended and restated certificate of incorporation or amended and restated bylaws; or (4) any action asserting a claim governed by the internal affairs doctrine. The 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 our directors, officers, employees or agents, which may discourage such lawsuits against us and our directors, officers, employees and agents. Stockholders who do bring a claim in the Court of Chancery could face additional litigation costs in pursuing any such claim, particularly if they do not reside in or near the State of Delaware. The Court of Chancery may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments or results may be more favorable to us than to our stockholders. Alternatively, 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 adversely affect our business and financial condition. By agreeing to the exclusive forum provisions, investors will not be deemed to have waived our compliance obligations with any federal securities laws or the rules and regulations thereunder.

***We do not anticipate paying any cash dividends on our common stock in the foreseeable future and, as a result, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future.***

We have never declared or paid cash dividends on our common stock and we do not anticipate paying any cash dividends on our common stock in the foreseeable future. We currently intend to retain all available funds and any future earnings to fund the development and growth of our business. In addition, any future loan arrangements we enter into may contain terms prohibiting or limiting the amount of dividends that may be declared or paid on our common stock. As a result, capital appreciation, if any, of our common stock offered hereby will be your sole source of gain for the foreseeable future.



## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that involve substantial risks and uncertainties. The forward-looking statements are contained principally in the sections titled “Prospectus Summary,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations of Lyneer” and “Business,” but are also contained elsewhere in this prospectus. In some cases, you can identify forward-looking statements by the words “may,” “might,” “will,” “could,” “would,” “should,” “expect,” “intend,” “plan,” “objective,” “anticipate,” “believe,” “estimate,” “predict,” “project,” “potential,” “continue” and “ongoing,” or the negative of these terms, or other comparable terminology intended to identify statements about the future, although not all forward-looking statements contain these words. These statements relate to future events or our future financial performance or condition and involve known and unknown risks, uncertainties and other factors that could cause our actual results, levels of activity, performance or achievement to differ materially from those expressed or implied by these forward-looking statements. These forward-looking statements include, but are not limited to, statements about:

- our expectations regarding the market size and growth potential for our business;
- our ability to refinance our outstanding indebtedness in a timely manner to avoid a future default;
- the implementation of our strategic plans, including strategy for our business, acquisitions and related financing;
- the assumptions set forth in the pro forma financial statements proving to be accurate;
- the ability of Lyneer and IDC to meet the terms and conditions of their joint and several debt obligations;
- our ability to maintain and establish future collaborations and strategic clients;
- the rate and degree of market acceptance of our services;
- our ability to list on the CBOE and to meet the continued listing requirements;
- our ability to generate sustained revenue or achieve profitability;
- the pricing and expected gross margin for our services;
- our expectations related to the use of proceeds from this offering;
- the expected benefits and synergies of the Merger;
- the expected financial condition, results of operations, earnings outlook and prospects of our company, Atlantic, Lyneer and the combined company, including any projections of sales, earnings, revenue, margins or other financial items;
- the ability of the new management team after the Merger to execute our business plan;
- our, Atlantic’s and Lyneer’s business strategies and goals;
- any statements regarding the plans, strategies and objectives of management for future operations;
- any statements regarding future economic conditions or performance;
- all assumptions, expectations, predictions, intentions or beliefs about future events;
- changes in applicable laws, regulations or permits affecting our, Atlantic’s or Lyneer’s operations or the industries in which each appears;
- general economic and geopolitical conditions;
- our competitive position; and
- our estimates of our expenses, ongoing losses, future revenue, capital requirements and our needs for, or ability to obtain, additional financing as necessary.

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You should read this prospectus, including the section titled “Risk Factors,” and the documents that we reference elsewhere in this prospectus and have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual results may differ materially from what we expect as expressed or implied by our forward-looking statements. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all.

These forward-looking statements represent our estimates and assumptions only as of the date of this prospectus regardless of the time of delivery of this prospectus or any sale of our common stock. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise after the date of this prospectus. All subsequent forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to herein.

## USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately \$17,915,000 from the sale of the 2,000,000 Units in this offering, or approximately \$20,455,000 if the underwriters exercise their option to purchase additional shares and warrants in full, based on an assumed public offering price of \$10.00 per Unit and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

We plan to use \$16,250,000 of the net proceeds from this offering to fund the Cash Consideration payable to IDC in the Merger, which amounts will be applied by them to repay outstanding indebtedness for which Lyneer is jointly liable. The balance of the net proceeds from this offering will be used for working capital to finance our future operations, including general corporate purposes, general and administrative expenses, capital expenditures and compensation, including bonuses, deferred compensation and payment of consultants and professionals. In the event the Series A Warrants and the Series B Warrants are exercised in full for cash, we will receive additional gross proceeds of up to \$26,000,000, based upon an assumed exercise price of \$13.00 per share for the Series A Warrants (130% of the assumed public offering price of the Units in this offering), and up to \$40,000,000, based upon the assumed exercise price of \$20.00 per share for the Series B Warrants (200% of the assumed public offering price of the Units in this offering), which proceeds will be used for potential acquisitions and/or working capital purposes.

The amounts and timing of our actual expenditures will depend upon numerous factors, including our sales and marketing and commercialization efforts, demand for our services, acquisition opportunities concluding on a satisfactory basis, our operating costs and the other factors described under “Risk Factors” in this prospectus. As of the date of this prospectus, we do not have any binding agreements, understandings or arrangements for any potential acquisitions of businesses. Accordingly, our management will have flexibility in applying the net proceeds from this offering. An investor will not have the opportunity to evaluate the economic, financial or other information on which we base our decisions on how we use the net proceeds.

Until we use the net proceeds of this offering in our business, such funds will be managed through a treasury management program under the supervision of our Acting Chief Financial Officer and may be invested in short-term, interest-bearing investments, which may include interest-bearing bank accounts, money market funds, certificates of deposit and U.S. government securities at the sole option of our company.

## **DIVIDEND POLICY**

We do not anticipate paying cash dividends on our common stock in the foreseeable future. We currently intend to retain all available funds and any future earnings to support our operations and finance the growth and development of our business. Any future determination related to our dividend policy will be made at the discretion of our board of directors and will depend upon, among other factors, our results of operations, financial condition, capital requirements, contractual restrictions, business prospects, the requirements of current or then-existing debt instruments and other factors our board of directors may deem relevant.

## CAPITALIZATION

Promptly following the pricing of this offering we will complete the Merger, which will be treated as a reverse merger and recapitalization for accounting purposes under GAAP with Lyneer as the accounting acquirer and our company as the accounting acquiree. As a result, our consolidated financial statements included in this prospectus include those of Lyneer.

The following table sets forth our actual cash and cash equivalents and our capitalization as of December 31, 2023:

- on an actual basis, without giving any effect to the consummation of the Merger;
- on a pro forma basis to give effect to the consummation of the Merger and the transactions contemplated by the Asset Purchase Agreement, including (i) the issuance of an aggregate of 10,619,352 shares of our common stock (including 819,352 escrowed shares (based upon an assumed public offering price of \$10.00 per Unit) that will be reserved for issuance to our pre-Merger stockholders) in connection with the consummation of the Merger, assuming a public offering price of \$10.00 per Unit in this offering, (ii) the sale of all of our pre-Merger assets and liabilities, other than a note payable in the principal amount of \$1,375,000 that will be retained by us, and (iii) the issuance of the Merger Note in the principal amount of \$18,750,000, as if the Merger and such transactions had occurred on December 31, 2023; and
- on a pro forma as adjusted basis to give further effect to our issuance and sale of 2,000,000 shares of common stock and accompanying warrants in this offering at an assumed public offering price of \$10.00 per Unit as set forth on the cover page of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us and giving effect to the use of net proceeds of this offering, as described under “Use of Proceeds” above.

You should read this information in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations of Lyneer,” “Pro Forma Condensed Combined Financial Information” and Lyneer’s financial statements and related notes included elsewhere in this prospectus.

	As of December 31, 2023		
	Actual	As Adjusted	Pro Forma As Adjusted
	(unaudited)	(unaudited)	(unaudited)
Cash and cash equivalents	\$ 2,693,991	\$ 1,352,927	\$ 2,797,927
Total liabilities	3,828,618	155,341,414 <sup>(1)</sup>	139,091,414
<b>Stockholder’s equity:</b>			
Preferred stock, \$0.00001 par value per share: 20,000,000 shares authorized; 0 shares issued and outstanding actual, pro forma and pro forma as adjusted	—	—	—
Common stock, \$0.00001 par value per share; 300,000,000 shares authorized; 380,648 shares issued and outstanding actual, 11,000 shares pro forma and 13,000,000 shares pro forma as adjusted	4	110	130
Additional paid-in capital	24,744,014	77,524,390	95,219,370
Accumulated deficit	(24,136,275)	(80,505,314)	(80,505,314)
Total stockholders’ equity (deficit)	607,743	(2,980,814)	14,714,186
Total liabilities and stockholders’ equity	\$ 4,436,361	\$ 152,360,600	\$ 153,805,600

(1) Includes \$35,000,000 of indebtedness due to IDC in connection with the Merger, which includes (i) \$16,250,000 that will be paid to IDC from the cash proceeds of this offering and (ii) the Merger Note in the principal amount of \$18,750,000 to be issued to IDC.

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The foregoing table excludes as of such date:

- 54,020 shares of our common stock issuable upon the exercise of stock options, with a weighted-average exercise price of \$72.55 per share;
- 95,777 shares of our common stock issuable upon the exercise of outstanding warrants, with a weighted-average exercise price of \$170.38 per share;
- a number of shares equal to 15% of our outstanding shares of common stock immediately following the Merger and the closing of this offering to be reserved for issuance under our 2023 Equity Incentive Plan, under which we will issue to certain of our new executive officers, directors and consultants restricted stock units representing all of such shares, subject to vesting, upon the completion of the Merger and this offering; and
- 46,000 shares of our common stock issuable upon exercise of the Representative’s warrants issued in connection with this offering.
- 4,000,000 shares of common stock issuable upon exercise of the Series A Warrants and the Series B Warrants to be issued in this offering, assuming a public offering price of \$10.00 per Unit in this offering, and any additional shares of our common stock that may be issued upon an “alternative cashless exercise” of the Series B Warrants.

**MARKET FOR COMMON STOCK  
AND RELATED STOCKHOLDER MATTERS**

Our common stock is currently trades sporadically in the over-the-counter markets under the symbol “SEQL.” In connection with the proposed Merger and this offering, we have applied to have our common stock approved for listing on the CBOE under the symbol “ATLN,” to be effective upon the consummation of the Merger and this offering.

As of April 12, 2024, 380,648 shares of common stock were issued and outstanding, which were held of record by 17 record stockholders and CEDE & Co.

## DILUTION

If you purchase Units in this offering, your ownership interest will be immediately diluted to the extent of the difference between the public offering price per share of our common stock and accompanying warrants in this offering, and the pro forma as adjusted net tangible book value per share of our common stock immediately after consummation of the Merger and this offering assuming no value is attached to the warrants.

Our historical net tangible book value as adjusted is the amount of Lyneer's total tangible assets less total liabilities. Our historical net tangible book value per share is Lyneer's historical net tangible book value as adjusted divided by the number of shares of our common stock outstanding as of December 31, 2023. Our historical net tangible book value (deficit) as adjusted as of December 31, 2023, was \$(41,538,380) or \$(3.78) per share of common stock. Our historical net tangible book value, as adjusted, gives effect to the consummation of the Merger as if the Merger had occurred on January 1, 2023 and reflects the historical book value of Lyneer, as adjusted, and 11,000,000 shares of our common stock outstanding on a pro forma basis upon consummation of the Merger, assuming a public offering price of \$10.00 per Unit in this offering as set forth on the cover page of this prospectus, including 819,352 escrowed shares that will be reserved for issuance to our pre-Merger stockholders as part of a settlement offer, and the issuance of the Merger Note in the principal amount of \$18,750,000.

Pro forma as adjusted net tangible book value is our net tangible book value, after giving effect to the sale of 2,000,000 Units (assuming no Pre-Funded Warrants in lieu of common stock are issued) in this offering at an assumed public offering price of \$10.00 per Unit, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us, and assuming no exercise of the Series A Warrants or the Series B Warrants offered hereby, would have been approximately \$(23,843,380), or approximately \$(1.83) per share. This represents an immediate increase in net tangible book value of \$1.95 per share to existing stockholders and an immediate dilution of \$11.83 per share to new investors purchasing shares of our common stock in this offering. The following table illustrates this dilution on a per share basis to new investors:

Public offering price	\$ 10.00
Historical net tangible book value (deficit) as adjusted per share as of December 31, 2023	\$ (3.78)
Increase in pro forma net tangible book value per share after this offering	<u>1.95</u>
Pro forma as adjusted net tangible book value per share after this offering	(1.83)
Dilution in per share to new investors	<u>\$ 11.83</u>

A \$1.00 increase or decrease in the assumed combined public offering price of \$10.00 per Unit would increase or decrease, as applicable, the pro forma net tangible book value per share after this offering by approximately \$0.15 per share and decrease or increase, as appropriate, the dilution in pro forma net tangible book value per share to investors participating in this offering by approximately \$0.85 per share, assuming that the number of shares and accompanying warrants offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

Similarly, a 100,000 share increase or decrease in the number of shares and accompanying warrants offered by us, as set forth on the cover page of this prospectus, would increase or decrease, as appropriate, the pro forma net tangible book value after this offering by approximately \$1,000,000 or \$0.09 per share and increase or decrease, as appropriate, the dilution in pro forma net tangible book value per share to investors participating in this offering by approximately \$0.09 per share, assuming the assumed public offering price of \$10.00 per Unit, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters exercise in full their option to purchase additional Units in this offering, including shares of our common stock, the pro forma net tangible book value will increase to \$(21,083,380) per share, representing an increase in pro forma net tangible book value to existing stockholders of \$2.19 per share and a dilution of \$11.59 per share to new investors participating in this offering.



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The discussion and table above assume no exercise of the Series A Warrants or Series B Warrants sold in this offering to purchase up to a stated aggregate of 4,000,000 shares (or 2,000,000 shares underlying each of the Series A Warrants and the Series B Warrants) of common stock and no sale of Pre-Funded Warrants in this offering. The Series A Warrants have a stated exercise price of 130% of the issuance price of the Units (or \$13.00 per share), which, subject to the approval of our stockholders, will be reduced on each trading day (each a “Reset Date”) commencing on the third trading day immediately following the effective date of Stockholder Approval until the 40<sup>th</sup> trading day following such effective date (the “Reset Period”) to a new exercise price equal to the lower of (i) the then exercise price, taking into account any prior reductions to the exercise price, and (ii) a price equal to 105% of the lowest per share volume weighted average price (VWAPs) of the common stock on the CBOE on any trading day during the period from the closing date of this offering to such Reset Date (the “Price Adjustment Provisions”). In the Series A Warrants, we will agree to obtain majority stockholder consent to the Price Adjustment Provisions by filing an information statement with the SEC within 15 days of the closing of this offering that will become effective 20 days after filing. The Series B Warrants have a stated exercise price of 200% of the issuance price of the Units (or \$20 per share). The holders of the Series A Warrants and the Series B Warrants have a cashless exercise option that provides the holders the ability to obtain shares for no cash consideration in the event there is not an effective registration statement relating to the shares issuable upon the exercise of those warrants. Subject to the approval of our stockholders, the holders of Series B Warrants will also have an “alternative cashless exercise” option at any time in which a holder shall be entitled to receive, without the payment of additional consideration, a number of shares of common stock issuable upon exercise that will equal the product of (a) the number of shares of common stock that would be issuable upon exercise of such warrant in accordance with the terms of such warrant if such exercise were by means of a cash exercise rather than a cashless exercise and (b) the quotient obtained by dividing (i) the exercise price minus the lowest VWAP on any trading day during the ten trading days immediately prior to the applicable exercise date by (ii) 50% of the lowest VWAP on any trading day during the ten trading days immediately prior to the applicable exercise date (the “Alternative Cashless Exercise Provisions”). However, in the Series B Warrants, we will agree to obtain majority stockholder consent to the Alternative Cashless Exercise Provisions by filing an information statement with the SEC within 15 days of the closing of this offering that will become effective 20 days after filing. We are not currently able to determine the maximum number of shares of our common stock that may be issuable upon exercise of these warrants. The issuance and accounting for these warrants could have a material adverse effect to our dilution and earnings, the amounts of which cannot currently be quantified.

The foregoing discussion and table do not take into account further dilution to new investors that could occur upon the exercise of outstanding options or warrants, none of which have a per share exercise price less than the combined public offering price per share of common stock and accompanying warrants sold in this offering. In addition, we may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that additional capital is raised through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our stockholders.

**MANAGEMENT’S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF LYNEER**

*You should read the following discussion of Lyneer’s financial condition and results of operations in conjunction with “Selected Financial Data” and Lyneer’s financial statements and related notes included elsewhere in this prospectus. This discussion and analysis and other parts of this prospectus contain forward-looking statements based upon current beliefs, plans and expectations that involve risks, uncertainties and assumptions. Lyneer’s actual results, and our actual results following the Merger, and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of several factors, including those set forth under “Risk Factors” and elsewhere in this prospectus. You should carefully read the “Risk Factors” section of this prospectus to gain an understanding of the important factors that could cause actual results to differ materially from our forward-looking statements. Please also see the section entitled “Cautionary Note Regarding Forward-Looking Statements” in this prospectus.*

**Overview**

This overview and outlook provide a high-level discussion of Lyneer’s operating results and significant known trends that affect its business and will affect our business following the Merger. We believe that an understanding of these trends is important to understanding Lyneer’s financial results for the periods being reported herein as well as our future financial performance. This summary is not intended to be exhaustive, nor is it intended to be a substitute for the detailed discussion and analysis provided elsewhere in this prospectus.

**Lyneer Overview**

Lyneer, through its subsidiaries, specializes in the placement of temporary and temporary-to-permanent labor across various industries within the United States of America (“USA”). Lyneer primarily places individuals in accounting and finance, administrative and clerical, information technology, legal, light industrial, and medical roles. Lyneer is also a leading provider of productivity consulting and workforce management solutions. Lyneer is headquartered in Lawrenceville, New Jersey and has more than one hundred locations in the USA.

On August 31, 2021 (the “Acquisition Date”), IDC obtained a controlling financial interest in Lyneer by acquiring 90% of Lyneer’s outstanding equity (the “Transaction”) pursuant to a membership interest purchase agreement. The Transaction represented a change of control with respect to Lyneer. Lyneer applied pushdown accounting as of the Acquisition Date. As a result of the application of pushdown accounting, the separately issued financial statements of Lyneer reflect IDC’s basis in the assets and liabilities of Lyneer as of the Acquisition Date.

**Results of Operations**

The following discussion summarizes the key factors Lyneer’s management team believes are necessary for an understanding of Lyneer’s financial statements.

***Comparison of the Years Ended December 31, 2023 and 2022:***

**Certain related party and non-related party financial statement line-item amounts have been aggregated for purposes of analysis below, which is consistent with management’s evaluation of Lyneer’s business results.**

***Service Revenue, Net***

Service revenue, net of discounts, for the years ended December 31, 2023 and 2022 consisted of the following:

	<b>Year Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Temporary placement services	\$ 396,739,483	\$ 434,301,937
Permanent placement and other services	4,635,218	7,242,180
<b>Total service revenue, net</b>	<b>\$ 401,374,701</b>	<b>\$ 441,544,117</b>

Lyneer's service revenue, net was \$401,374,701 and \$441,544,117 for the years ended December 31, 2023 and 2022, respectively, a decrease of \$40,169,416, or 9.1%. This decrease was predominately due to the lower revenues from Lyneer's temporary placement services business, which decreased \$37,562,454 or 8.6% in the year ended December 31, 2023 as compared to the same period in 2022 due primarily to general economic pressures and lower temporary job demand. Permanent placement and other services decreased \$2,606,962 or 36.0% due to lower permanent job demand and a lack of qualified workers who were seeking permanent placement employment.

#### ***Cost of Revenue and Gross Profit***

Gross profit reflects the difference between realized service revenue, net and cost of revenues for providing temporary and permanent placement solutions. Cost of revenue consists primarily of fixed and variable direct costs, including payroll, payroll taxes and employee benefit costs. Cost of revenue and gross profit for the years ended December 31, 2023 and 2022 consisted of the following:

	Year Ended December 31,	
	2023	2022
Service revenue, net	\$ 401,374,701	\$ 441,544,117
Cost of revenue	354,496,441	387,338,567
Gross profit	\$ 46,878,260	\$ 54,205,550

Cost of revenue for the years ended December 31, 2023 and 2022 was \$354,496,441 and \$387,338,567, respectively, a decrease of \$32,842,126 or 8.5%. The decrease in cost of revenue was due primarily to lower service revenue, net driven primarily by lower temporary placement services revenue, which decreased \$37,562,544 or 8.6%.

Gross profit for the years ended December 31, 2023 and 2022 was \$46,878,260 and \$54,205,550, respectively, a decrease of \$7,327,290 or 13.5%. As a percentage of service revenue, net, gross profit was 11.7% and 12.3% for the years ended December 31, 2023 and 2022, respectively, which was relatively consistent on a year-over-year basis.

#### ***Total Operating Expenses***

Total operating expenses for the years ended December 31, 2023 and 2022 consisted of the following:

	Year Ended December 31,	
	2023	2022
Selling, general and administrative	\$ 45,441,659	\$ 42,266,498
Change in fair value of contingent consideration liabilities	(150,093)	894,133
Depreciation and amortization	5,038,218	5,065,511
Total operating expenses	\$ 50,329,784	\$ 48,266,142

The changes in each financial statement line item for the respective periods are described below.

#### ***Selling, General and Administrative Costs***

Selling, general and administrative expenses for the years ended December 31, 2023 and 2022 were \$45,441,659 and \$42,266,498, respectively, an increase of \$3,175,161, or 7.5%, related to bad debt expense of \$1,990,692 and \$0 during the years ended December 31, 2023 and 2022, respectively, and higher transaction costs offset partially by cost cutting measures, including personnel layoffs.

As a percentage of service revenue, net, selling, general and administrative costs were 11.3% in the year ended December 31, 2023 as compared to 9.6% in the year ended December 31, 2022. The increase in selling, general and administrative costs as a percentage of service revenue, net was due primarily to higher transactions costs and lower service revenue, net in the year ended December 31, 2023 compared to the year ended December 31, 2022.

**Changes in Fair Value of Contingent Consideration Liabilities**

Changes in the fair value of contingent consideration liabilities for the years ended December 31, 2023 and 2022 were \$(150,093) and \$894,133, respectively. The change of \$(1,044,226) reflects the change in fair value of the liability balance. The measurement period for Lyneer's contingent consideration arrangements expired on August 31, 2023, at which time amounts owed Lyneer to its former owners were computed and represent fixed amounts.

**Depreciation and Amortization**

Depreciation and amortization expense for the years ended December 31, 2023 and 2022 was \$5,038,218 and \$5,065,511, respectively, a decrease of \$27,293 or 0.5%, which was essentially the same on a year-over-year basis.

**Loss on Debt Extinguishment, Interest Expense and Income Tax**

Loss on debt extinguishment, interest expense and the provision for income taxes for the years ended December 31, 2023 and 2022 consisted of the following:

	Year Ended December 31,	
	2023	2022
(Loss) income from operations	\$ (3,451,524)	\$ 5,979,408
Loss on debt extinguishment	189,951	—
Interest expense	17,538,816	10,008,896
Net loss before taxes	(21,180,291)	(4,029,488)
Income tax benefit	5,928,271	808,430
Net loss	<u>\$ (15,252,020)</u>	<u>\$ (3,221,058)</u>

**Interest Expense**

Interest expense for the years ended December 31, 2023 and 2022 was \$17,538,816 and \$10,008,896, respectively. The increase of \$7,529,920, or 75.2%, in the year ended December 31, 2023 compared to the year ended December 31, 2022 was attributed primarily to significantly higher interest rates on the revolving credit facility on a year-over-year basis, an increase in the rates on the Revolver, the Term Loan, and the Seller Notes and Earnout Notes due to amendments in May 2023 and August 2023.

**Income Tax Benefit**

Income tax benefit for the years ended December 31, 2023 and 2022 was \$5,928,271 and \$808,430, respectively, an increase of \$5,119,841, which was driven primarily by the increase in net loss before taxes of \$21,180,291 for the year ended December 31, 2023 compared to \$4,029,488 for the year ended December 31, 2022, or an increase in the net loss before taxes of \$17,150,803.

**Adjusted Earnings Before Interest, Tax, Depreciation, and Amortization ("Adjusted EBITDA")****Adjusted EBITDA**

Adjusted EBITDA is a non-GAAP financial measure and should not be considered as an alternative to operating income (loss) or net income (loss) as a measure of operating performance or cash flows or as a measure of liquidity. Non-GAAP financial measures are not necessarily calculated the same way by different companies and should not be considered a substitute for or superior to GAAP.

Adjusted EBITDA is defined as net income (loss) as reported in accordance with GAAP, adjusted to add back interest expense, income tax expense, depreciation and amortization, impairments of goodwill, contingent consideration fair value adjustments, restructuring costs, acquisition and integration costs, and other non-recurring costs, as these charges and expenses are not considered a part of Lyneer's core business operations and are not necessarily an indicator of ongoing, future company performance.

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Adjusted EBITDA is one of the primary metrics used by management to evaluate the financial performance of Lyneer's business. Lyneer presents Adjusted EBITDA because it believes it is frequently used by analysts, investors and other interested parties to evaluate companies in Lyneer's industry. Further, Lyneer believes it is helpful in highlighting trends in Lyneer's operating results, because Adjusted EBITDA excludes, among other things, certain results of decisions that are outside the control of management, while other measures can differ significantly depending on long-term strategic decisions regarding capital structure and capital investments.

Adjusted EBITDA should be viewed as a supplement to and not a substitute for net income (loss), cash flows from operating activities, and other measures of performance and/or liquidity presented in accordance with GAAP. Since Adjusted EBITDA is not a measure of performance calculated in accordance with GAAP, this measure may not be comparable to similar titles used by other companies. Lyneer has presented the components that reconcile net loss, the most directly comparable GAAP financial measure, to adjusting operating income (loss).

Adjusted EBITDA is measured by taking net income as reported in accordance with GAAP, excluding interest expense, taxes, depreciation and intangible amortization, loss on debt extinguishment, change in fair value of contingent consideration liabilities, severance and salary reductions for staff positions eliminated and not replaced and transaction costs booked through Lyneer's consolidated statements of operations. The following table presents reconciliations of EBITDA and adjusted EBITDA to the most directly comparable GAAP financial measures on a historical basis for the years ended December 31, 2023 and 2022.

	Year Ended December 31,		
	2023	2022	Change
Net (loss) income	\$ (15,252,020)	\$ (3,221,058)	\$ (12,030,962)
Interest expense	17,538,816	10,008,896	7,529,920
Income tax benefit	(5,928,271)	(808,430)	(5,119,841)
Depreciation and amortization	5,038,218	5,065,511	(27,293)
Earnings before interest, taxes, depreciation and amortization	\$ 1,396,743	\$ 11,044,919	\$ (9,648,176)
Non-recurring adjustments from operations:			
Loss on debt extinguishment <sup>(1)</sup>	189,951	—	189,951
Change in fair value of contingent consideration liabilities <sup>(2)</sup>	(150,093)	894,133	(1,044,226)
Salary reductions & severance for staff not replaced <sup>(3)</sup>	625,000	2,755,943	2,130,743
Transaction costs <sup>(4)</sup>	3,380,121	—	3,380,121
Total non-recurring adjustments from operations	4,045,179	3,650,076	395,103
Adjusted EBITDA	<u>\$ 5,441,922</u>	<u>\$ 14,694,995</u>	<u>\$ (9,253,073)</u>

(1) Adjustment related to the Revolver debt extinguishment during the year ended December 31, 2023.

(2) The fair value of contingent consideration is determined by gross profit projections, which fluctuate based on market conditions. The measurement period for Lyneer's contingent consideration arrangements expired on August 31, 2023, at which time amounts owed by Lyneer to its former owners were computed and represented fixed amounts.

(3) Adjustment to account for reductions in force and associated severance costs for non-revenue generating employee positions during the year ended December 31, 2022 and the year ended December 31, 2023. These actions were taken as a response to the COVID-19 pandemic and Lyneer believes the costs to be non-recurring.

(4) Legal, accounting and advisory costs incurred in relation to the Merger transaction.

Lyneer has determined that all of the above non-recurring adjustments from operations are infrequent. Payroll reduction and severance-related costs will only be contemplated in the future as additional cost saving measures are required. Future transaction costs will depend on Lyneer executing additional transactions, which cannot be anticipated or estimated. The other costs identified are eliminated upon the consummation of the Merger.

Adjusted EBITDA was \$5,441,922 for the year ending December 31, 2023 compared to Adjusted EBITDA for the year ending December 31, 2022 of \$14,694,995. The decrease of \$9,253,073, or approximately 63%, for the year ended December 31, 2023 versus the year ended December 31, 2022 was attributed primarily to the elimination of one-time transaction costs, which was offset partially by the decrease in service revenue, net and related gross profit, which decreased 9.1% and 8.5%, respectively, and a lower favorable impact from the change in contingent consideration liabilities and salary and severance costs for employees who were terminated and not replaced during 2023.

## Liquidity & Capital Resources

Lyneer's working capital requirements are primarily driven by personnel payments and client accounts receivable receipts. As receipts from client partners lag behind payments to personnel, working capital requirements increase substantially in periods of growth.

Lyneer's primary sources of liquidity have historically been cash generated from operations and borrowings under its revolving credit agreement (the "Revolver"). Lyneer's primary uses of cash are payments to engagement personnel, corporate personnel, related payroll costs and liabilities, operating expenses, capital expenditures, cash interest, cash taxes, and contingent consideration and debt payments. If Lyneer and IDC are able to refinance their existing indebtedness as described below, Lyneer believes that the cash generated from operations, together with the borrowing availability under its portion of the Revolver or under any revolving credit facility that Lyneer may enter into to replace the Revolver, would be sufficient to meet its normal working capital needs for at least the 12-month period following the date of its December 31, 2023 financial statements, including investments made, and expenses incurred, in connection with opening new markets throughout the next year. Lyneer's ability to continue to fund these items may be affected by general economic, competitive and other factors, many of which are outside of Lyneer's control. If Lyneer's future cash flow from operations and other capital resources are insufficient to fund its liquidity needs, Lyneer may be forced to obtain additional debt or equity capital or refinance all or a portion of its debt.

In connection with the closing of the Merger and this offering, we will issue to IDC the Merger Note in the principal amount of \$18,750,000 that will mature on July 31, 2024. The Merger Note will not bear interest and will not be convertible prior to an event of default under the Merger Note. If an event of default should occur under the Merger Note, the Merger Note will bear interest at the rate of 7% per annum commencing upon the date of such event of default and will be convertible into shares of our common stock at a price per share that equals the lowest daily volume weighted average price per share (VWAP) during the five trading days immediately preceding the date on which the applicable conversion notice is delivered to us, but not less than 80% of the price per share at which is the Units are sold in this offering, provided, however, that the number of shares of our common stock issuable upon conversion of the Merger Note will not exceed 19.99% of the number of our outstanding shares of common stock without shareholder approval so long as our common stock is then listed on the CBOE. As we do not believe we will have sufficient liquidity and capital resources to pay the Merger Note in full when due, as well as to restructure our joint and several debt obligations, we believe we will have to sell additional equity or debt securities prior to the maturity date of the Merger Note to pay or refinance the Merger Note when due. However, as Prateek Gattani, our Chairman of the Board following the Merger, is also the Chief Executive Officer and controlling stockholder of IDC, we also believe we will be able to negotiate an extension of the Merger Note if we are unable to pay it in full at maturity. An event of default under the Merger Note may result in an additional event of default under the Revolver and our other indebtedness for borrowed funds.

On June 6, 2023, Lyneer and IDC were informed by a letter from the administrative agent of the lender under the Revolver that the borrowing base calculation under the Revolver was required to be changed from how it was historically calculated. This change caused Lyneer and IDC as co-borrowers to be over-advanced, and the agent required the co-borrowers to cure the over-advance. On December 31, 2023, the total over-advance was \$22,518,585.

On August 31, 2023 and January 16, 2024, Lyneer and IDC entered into consent and forbearance agreements with its lender under the Revolver pursuant to which the lender waived all existing events of default as of the date of the agreements and agreed to forbear from exercising its rights and remedies with respect to such events of default under the credit facilities through November 17, 2023 and March 15, 2024, respectively. On April 17, 2024, Lyneer and IDC entered into a limited consent and amendment to the forbearance agreement with the lender under the Revolver under which the lender agreed to extend its forbearance with respect to all then-existing events of default until July 31, 2024, subject to the satisfaction of various conditions, all of which have been satisfied, and agreed to a revised schedule for the repayment of the over-advance. The events of default of the borrowers under the Revolver included:

- (i) the failure to repay an over-advance in the amount of \$13,096,519 as of April 5, 2024;
- (ii) the failure to deliver to the administrative agent under the Revolver on or before February 14, 2024, an executed confidential information memorandum related to a Sale/Refinancing (as defined);
- (iii) failure to complete this offering on or before February 13, 2024 and apply the proceeds thereof as specified;

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- (iv) the failure to deliver to the administrative agent, on or before February 14, 2024, an executed confidential information memorandum with respect to a Sale/Refinancing;
- (v) the failure to deliver to the administrative agent, on or before February 21, 2024, an executed letter of intent with respect to a Sale/Refinancing;
- (vi) failure to have completed presentations to potential buyers under a sale and potential lenders in respect of a refinancing transaction resulting in payment in full of all Obligations (as defined);
- (vii) failure to complete a Secondary Capital Raise (as defined) on or before February 29, 2024;
- (viii) the failure to complete a Sale/Refinancing on or before March 15, 2024; and
- (ix) the failure to timely cure the foregoing defaults.

Under the Revolver, a “Sale/Refinancing” is defined as the sale of one of the borrowers under the Revolver, including possibly IDC or Lyneer, that will generate proceeds in an amount sufficient to pay in full all obligations of the borrowers under the Revolver.

The lenders’ consent to IDC’s transfer of ownership of the equity of Lyneer is conditioned upon: (i) our use of the proceeds of this offering as set forth in this prospectus under the caption “Use of Proceeds”, (ii) our limited guaranty and pledge of our ownership of the equity of Lyneer upon the effective date of the Merger, (iii) IDC’s pledge to the lender of a security interest in the Merger Note and the shares of our common stock that IDC receives in the Merger, as well as the proceeds thereof, and (iv) customary closing conditions.

The forbearance agreements relating to the Revolver and the Term Note, as amended, also created certain additional covenants on the part of the Lyneer and IDC, including that they meet the following milestones:

- (i) on or before May 15, 2024, the borrowers shall have completed this offering and shall have applied an aggregate of \$16,250,000 toward the repayment of the Revolver, the Term Loan, and any other agreed to debt;
- (ii) concurrent with the effectiveness of the registration statement of which this prospectus forms a part, Prateek Gattani shall have contributed not less than \$5 million to the borrowers to pay down the Revolver;
- (iii) the borrowers shall have delivered to the administrative agent of the lender a confidential information memorandum relating to a Sale/Refinancing satisfactory to such agent;
- (iv) concurrent with the closing of this offering, the lender holding the Term Note shall have made a subordinated loan to Lyneer in an amount not less the \$7 million subject to an intercreditor agreement with the lender under the Revolver;
- (v) concurrent with the closing of this offering, the borrowers shall have applied not less than \$6 million of net proceeds of this offering to have permanently reduced the credit commitments under the Revolver by \$6 million;
- (vi) concurrent with the closing of this offering, the execution of an amended and restated credit agreement for Lyneer with the lender of the Revolver with a maturity date of July 31, 2024 and maximum commitment of \$40 million and outstanding obligations on a pro forma basis not to exceed \$33 million as of the closing of this offering;
- (vii) the borrowers shall have delivered a guaranty reaffirmation from Prateek Gattani;
- (viii) the borrowers shall have completed presentations to potential buyers or lenders by May 22, 2024;
- (ix) the borrowers shall execute a letter of intent with potential buyers or lenders by May 29, 2024; and
- (x) the delivery to the lenders of lock-up agreements for each of our officers following this offering for a period ending January 30, 2025, subject to earlier release upon reaching certain milestones.

The failure of Lyneer and IDC to comply with any of such additional covenants would create additional events of default under the Revolver and the Term Note that have not been waived by the lenders under the Revolver or the Term Note in the existing forbearance agreements.

On April 17, 2024, IDC and Lyneer also entered into an amendment to the forbearance agreement with the lender under the Term Note pursuant to which, subject to the satisfaction of various conditions, all of which have

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been satisfied, the lender (i) extended its forbearance with respect to all events of default until July 31, 2024, conditioned upon payments from the proceeds of this offering as well as any future securities offering by our company; (ii) requires the sale by IDC of its shares of our common stock within one year in order to repay the Term Note if not repaid sooner; (iii) requires a continued pledge by us of our equity interest in Lyneer; (iv) requires the execution of new three-year employment agreements with Todd McNulty and James Radvany, CEO and CFO, respectively of Lyneer, and (v) requires lock-up agreements with the principals of Atlantic and Lyneer for up to one year from the closing of this offering. The events of default under the Term Note included:

- (i) the failure to pay interest due on October 1, 2023 and January 2, 2024;
- (ii) the failure to deliver an executed confidential information memorandum related to a Sale/Refinancing;
- (iii) the failure to deliver on or before February 21, 2024, an executed letter of interest with respect to a Sale/Refinancing;
- (iv) the failure to consummate a Sale/Refinancing on or before March 15, 2024; and
- (v) failure to complete this offering by February 13, 2024 and to apply the proceeds as specified therein;
- (vi) failure to complete management presentations to potential buyers and potential lenders;
- (vii) failure to complete a secondary Capital Raise on or before February 29, 2024.
- (vi) the failure to complete the foregoing defaults.

In addition, on January 16, 2024, IDC and Lyneer entered into an amendment agreement with the holders of the Seller Notes and Earnout Notes to defer the missed July 31, 2023 and October 31, 2023 principal and interest payments on the Seller Notes and the Earnout Notes, each in the amount of \$1,575,000 plus accrued interest, until February 28, 2024, and to defer to February 28, 2024 the payment of \$1,575,000 with accrued interest scheduled for January 31, 2024. Lyneer has not refinanced or restructured the credit facility and missed the February 28, 2024 payment of the Seller Notes and the Earnout Notes.

In accordance with Accounting Standards Codification (“ASC”) Topic 205-40, *Going Concern*, Lyneer evaluates whether there are certain conditions and events, considered in the aggregate, that raise substantial doubt about its ability to continue as a going concern. This evaluation includes considerations related to financial and other covenants contained in Lyneer’s credit facilities, as well as Lyneer’s forecasted liquidity. Given the uncertainties around Lyneer’s liquidity, Lyneer’s non-compliance with its covenants and Lyneer’s inability to refinance or repay its existing debt obligations by March 15, 2024, Lyneer has concluded that there is substantial doubt about its ability to continue as a going concern for at least one year from the date of issuance of its consolidated financial statements. Lyneer is currently negotiating to refinance its debt obligations with its lenders and is exploring other financing opportunities to provide greater flexibility.

IDC, Lyneer and Prateek Gattani, IDC’s Chief Executive Officer and our Chairman of the Board following the Merger, have entered into an Allocation Agreement dated as of December 31, 2023, pursuant to which IDC agreed that, as between IDC and Lyneer, in connection with the closing of this offering and the Merger, the Term Note and the Seller Notes, will either be paid in full or assumed by IDC, and all but \$35 million of the Revolver will be paid in full or assumed by IDC, and Lyneer will have no further liability or responsibility for such indebtedness. However, as IDC and Lyneer were unable to obtain the release of Lyneer from the holders of such indebtedness for accounting purposes, with respect to any of such indebtedness that was not repaid by IDC by March 15, 2024 with the Allocation Agreement not being given effect for accounting purposes and Lyneer will remain jointly and severally liable with IDC to such lenders until such time as such joint and several indebtedness is restructured, at which time IDC will be obligated to repay in full all remaining amounts payable under the Term Note and the Seller Notes and will repay or assume all but approximately \$35 million under Revolver. In the event IDC does not repay any of this debt and Lyneer is required to make payments, IDC will be obligated to repay Lyneer for the amounts paid on IDC’s behalf.

In the Allocation Agreement, IDC and Mr. Gattani have agreed to implement a plan to refinance or otherwise satisfy the joint and several indebtedness. IDC and Mr. Gattani are currently exploring refinancing opportunities with several lenders to address the assumed debt, as well as the IDC portion of the Revolver. However, it is expected that Lyneer will not be released from its joint and several obligations with respect to the indebtedness to be assumed by IDC until payment in full of the Merger Note, which matures on July 31, 2024. It is also expected that, in connection with such payments by IDC, Lyneer will enter into a new revolving credit facility with its current lender to replace the existing credit facility. It is expected that the new credit facility will be supportable by Lyneer’s stand-alone borrowing base, will be on terms similar to those of the existing credit agreement and will provide credit availability to Lyneer of up to \$40,000,000.



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Lyneer had the following cash flows for the years ended December 31, 2023 and December 31, 2022:

	<b>Year Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Net cash (used in) provided by operating activities	\$ (9,082,597)	\$ 10,933,264
Net cash used in investing activities	(73,711)	(121,821)
Net cash provided by (used in) financing activities	8,793,074	(9,449,176)
Net (decrease) increase in cash and cash equivalents	<u>\$ (363,234)</u>	<u>\$ 1,362,267</u>

***Operating Activities***

Cash flows provided by operating activities for the year ended December 31, 2023 compared to the year ended December 31, 2022 was lower due to a decrease in accounts receivable and due to and from related parties, partially offset by an increase in prepaid expenses and other current assets, accrued expenses and other current liabilities and accounts payable.

***Investing Activities***

Cash used in investing activities for the year ended December 31, 2023 decreased compared to the year ended December 31, 2022 and consisted primarily of purchases of property and equipment.

***Financing Activities***

Cash provided by financing activities increased for the year ended December 31, 2023 compared to the year ended December 31, 2022 and consisted primarily of borrowings and payments under Lyneer's debt arrangements of the Revolver and Seller Notes (as described below).

***Revolver***

Lyneer currently maintains the Revolver as a co-borrower with IDC with an available borrowing capacity of up to \$100,000,000. The facility was partially used to finance the acquisition of Lyneer by IDC in August 2021, with additional borrowing capacity available under the Revolver to finance Lyneer's working capital. All of Lyneer's cash collections and disbursements are currently linked with bank accounts associated with the lender and funded using the Revolver. These borrowings are determined by Lyneer's availability based on a formula of billed and unbilled accounts receivable as defined in the loan agreement.

As of December 31, 2023 and December 31, 2022, Lyneer had recognized liability balances on the Revolver of \$85,092,695 and \$76,259,621, respectively.

As of December 31, 2023 and December 31, 2022, the total balance on the Revolver was \$90,906,217 and \$102,933,863, respectively. As of December 31, 2023 and December 31, 2022, Lyneer recorded a liability of \$85,092,695 and \$76,259,621, respectively, and IDC owed the remaining \$5,813,520 and \$26,674,242, respectively. Total available borrowing capacity on the Revolver as of December 31, 2023 was (\$22,518,585), net of the \$6,000,000 allocated for a letter of credit issued to one of Lyneer's vendors and a \$5,000,000 reserve required on the Revolver. The borrowing base calculation is based on Lyneer's eligible assets and did not qualify Lyneer to borrow the remaining \$9,093,783 under the credit facility.

Borrowings under the Revolver are classified as SOFR Revolving Credit Loans, SOFR FILO Loans, Base Rate Revolving Credit Loans, Base Rate FILO Loans or Swing-Line Loans (each as defined in the Revolver). Applicable margins for each loan type are as follows:

<b>Average Availability</b>	<b>SOFR Revolving Credit Loans</b>	<b>Base Rate Revolving Credit Loans</b>	<b>SOFR FILO Loans</b>	<b>Base Rate FILO Loans</b>
Greater than \$83,333,333.33	1.75%	0.75%	2.75%	1.75%
Greater than \$41,666,666.66 but less than or equal to \$83,333,333.33	2.00%	1.00%	3.00%	2.00%
Less than \$41,666,666.66	2.25%	1.25%	3.25%	2.25%

Swing Line Loans on the Revolver bear interest at a rate equal to the Base Rate (as defined) plus the applicable margin.

On May 5, 2023, Lyneer entered into the Third Amendment to the Revolver. The Third Amendment to the Revolver was treated as a modification based upon Lyneer's analysis according to ASC 470 — *Debt*. As such, Lyneer is deferring the recognition of the amendment fee and will amortize such fee as an adjustment to interest expense over the remaining term of the Revolver, along with any existing unamortized costs, using the effective interest method. The amendment fee was \$750,000 (paid by IDC), split evenly between IDC and Lyneer. Fees paid to third parties are expensed as incurred, and no gain or loss was recorded on the modification.

The Third Amendment increased the applicable margin thresholds for various products as follows:

<b>Average Availability</b>	<b>SOF Revolving Credit Loans</b>	<b>Base Rate Revolving Credit Loans</b>	<b>SOF FILO Loans</b>	<b>Base Rate FILO Loans</b>
Greater than \$83,333,333.33	2.25%	1.25%	3.25%	2.25%
Greater than \$41,666,666.66 but less than or equal to \$83,333,333.33	2.50%	1.50%	3.50%	2.50%
Less than \$41,666,666.66	2.75%	1.75%	3.75%	2.75%

After Lyneer and IDC deliver financial statements and a compliance certificate for the trailing four consecutive fiscal quarters (a "Measurement Period") ending on March 31, 2024 or the first Measurement Period after March 31, 2024, the applicable margin thresholds will revert back to the original thresholds.

On July 14, 2023, Lyneer and IDC received notice from the administrative agent under the Revolver that Lyneer and IDC were in default under the Revolver due to their failure to repay the over-advance on the Revolver. Further, on July 21, 2023, Lyneer and IDC received notice from the lender advising Lyneer and IDC that they may not make payments on their Term Note until the over-advance payment default has been cured or waived.

On August 31, 2023, Lyneer and IDC entered into the Fourth Amendment and Forbearance Agreement with the lender under the Revolver under which the lender waived all existing events of default as of the date of the agreement and agreed to forbear from exercising its rights and remedies with respect to such events of default under the Revolver through November 17, 2023. The Fourth Amendment and Forbearance Agreement was treated as a debt extinguishment after Lyneer's analysis of ASC 470, and a loss of \$189,951 is included in "loss on debt extinguishment" in Lyneer's consolidated statements of operations included elsewhere in this prospectus. The total amendment fee was \$1,550,000 and the structuring fee was \$100,000, which was split evenly between IDC and Lyneer. This fee will be amortized as an adjustment to interest expense over the remaining term, along with any existing unamortized costs using the effective interest method. Fees paid other than to the lenders are expensed as incurred.

On January 16, 2024, Lyneer and IDC entered into a consent and amendment to the forbearance agreement with the lender under the Revolver under which the lender extended its forbearance with respect to all events of default until March 15, 2024, revised certain financial ratio covenants, with March 31, 2024 as the first calculation date for such ratios, and agreed to a revised schedule for the repayment of the over-advance.

As described above, on April 17, 2024, Lyneer and IDC entered into an additional amendment to the forbearance agreement with the lender under the Revolver under which the lender waived all then-existing events of default as of the effective date of the agreement and agreed to forbear from exercising its rights and remedies with respect to such events of default under the Revolver through July 31, 2024.

As discussed above, IDC is expected to use a portion of the cash proceeds it receives in the Merger to pay down the Revolver following the closing of the Merger and this offering, and Lyneer is expected to enter into a new revolving credit facility with the lender on similar terms as the Revolver that will assume the approximately \$35,000,000 of outstanding debt under the Revolver for which Lyneer is expected to be responsible. Following such restructuring of the Revolver, it is expected that Lyneer will be required to refinance its new revolving credit facility with either the current lender or a new lender.

#### ***Term Note***

On August 31, 2021, Lyneer and IDC as co-borrowers entered into a Term Note in the amount of \$30,300,000. The proceeds of this loan were primarily used to finance the acquisition of Lyneer by IDC in August 2021. The Term Note matures on February 28, 2026, at which time all outstanding balances are due and payable. There are no scheduled principal payments on the Term Note prior to its maturity date. The Term Note is subordinated to the Revolver and initially bore interest at the stated interest rate of 14% per annum.

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As of December 31, 2023 and December 31, 2022, Lyneer had recognized liability balances on the Term Note of \$34,223,489, and \$31,875,297, respectively.

On May 5, 2023, the Term Note was amended to amend the stated interest rate, which may vary between 14% and 16% per annum, with the cash portion of the stated rate varying from 10% to 11% per annum and the PIK portion varying from 4% to 5% per annum, based on specified financial ratios and similar metrics.

The May 2023 amendment to the Term Note was treated as a modification pursuant to ASC 470 — *Debt*. As such, Lyneer is deferring recognition of the \$100,000 amendment fee and will amortize such fee as an adjustment to interest expense over the remaining term of the Term Note, along with any existing unamortized costs, using the effective interest method. IDC paid the \$100,000 amendment fee, which is included in “capital contribution” on Lyneer’s consolidated statements of mezzanine capital and members’ capital (deficit) for the year ended December 31, 2023 included elsewhere in this prospectus. Fees paid to third parties are expensed as incurred, and no gain or loss was recorded on the modification.

The Term Note was further amended on June 30, 2023 to defer the July 1, 2023 cash interest payment until August 1, 2023. However, Lyneer did not make this payment when due based upon the notice received from the administrative agent of the lender under the Revolver, which restricted payment on the Term Note as discussed above.

On August 4, 2023, Lyneer received a notice from the administrative agent of the Term Note advising Lyneer that it was in default under the loan agreement relating to the Term Note due to non-payment of the August 1, 2023 interest payment and that interest under the Term Note would accrue at the default rate of the stated rate plus 2% per annum. The Term Note contains certain customary financial and non-financial covenants with which Lyneer is required to comply.

The Term Note was further amended on August 31, 2023. Pursuant to such agreement, the lender waived all existing events of default as of the date of such amendment and agreed to forbear from exercising its rights and remedies through November 17, 2023. This amendment also increased the stated interest rate on the Term Note to 19% per annum and the cash portion of the stated rate increased to 14% per annum, with a default rate equal to the stated rate plus 2%. This amendment was treated as a modification after Lyneer’s analysis according to ASC 470 and as such, Lyneer will amortize any existing unamortized costs using the effective interest method, as an adjustment to interest expense over the remaining term. The structuring fee of \$32,500 and the total forbearance fee of \$325,000 is the responsibility of IDC. These fees were not paid and as such, were added to the principal amount of the Term Note. This amendment had the same contingencies as the forbearance agreement for the Revolver.

On January 16, 2024, Lyneer and IDC entered into an amendment to the forbearance agreement with its lender under the Term Note under which the lender agreed, subject to satisfaction of various conditions precedent, to waive all existing events of default under the Term Note as of the date of the amendment and to forbear from exercising its rights and remedies with respect to such events of default through March 15, 2024.

As described above, on April 17, 2024, Lyneer and IDC entered into an additional amendment to the forbearance agreement with its lender under the Term Note under which the lender waived all then-existing events of default under the Term Note and agreed to forbear from exercising its rights and remedies with respect to such events of default through July 31, 2024. IDC has agreed with Lyneer under an Allocation Agreement that IDC will assume all payment obligations under the Term Note. However, it is not expected that Lyneer will be released as an obligor under the Term Note until the Merger Note is paid in full and the indebtedness evidenced by the Term Note is restructured.

### ***Seller Notes***

As part of the purchase price consideration for the Transaction, Lyneer and IDC as co-borrowers issued various Seller Notes to the former owners of Lyneer in the aggregate principal amount of \$15,750,000. Principal payments on the Seller Notes are due in quarterly instalments of \$1,575,000, and \$3,150,000 is due at their amended maturity dates of April 30, 2024. The Seller Notes bear interest at an amended fixed rate of 11.25% per annum. The Seller Notes represent unsecured borrowings and are subordinated to the Revolver and to the Term Note.

Lyneer had recognized Seller Note liability balances of \$7,875,000 as of both December 31, 2023 and 2022.

Lyneer and IDC did not make the principal and interest payments due July 31, 2023 and October 31, 2023 on the Seller Notes as payments to any other debt holders was prohibited by the administrative agent of the lender under the Revolver.

Pursuant to the terms of the August 31, 2023 forbearance agreements, IDC agreed to use a portion of the Merger Consideration to pay down the Seller Notes upon the consummation of the Merger and the closing of this offering, following which Lyneer will have no further liability or responsibility for the payment of the Seller Notes. However, under the allocation agreement between IDC and Lyneer, IDC agreed with Lyneer that IDC will assume all payment obligation under the Seller Notes. It is not expected that Lyneer will be released as an obligor under the Seller Notes until the Merger Note is paid in full and the indebtedness evidenced by the Seller Notes is restructured.

#### ***Earnout Notes***

As contingent consideration milestones are met in connection with the Transaction Agreement, Lyneer and IDC can elect to pay the milestone payments in cash or to issue notes payable. To date, Lyneer and IDC as co-borrowers have issued nine promissory notes in the aggregate principal amount of \$13,494,133. Payments on each of the Earnout Notes are due in quarterly instalments through their amended maturity date of January 31, 2025 and each note bears an amended stated interest rate of 11.25% per annum. The Earnout Notes are subordinated to the Revolver and the Term Note and represent unsecured borrowings.

The Earnout Note liability was \$13,494,133 as of both December 31, 2023 and 2022.

Lyneer and IDC did not make the principal and interest payments due July 31, 2023 and October 31, 2023 on the Earnout Notes as payments to any other debt holders was prohibited by the administrative agent of the lender under the Revolver.

Pursuant to the terms of the August 31, 2023 forbearance agreements, IDC agreed to use a portion of the Merger Consideration to pay down the Earnout Notes upon the consummation of the Merger and the closing of this offering, following which Lyneer will have no further liability or responsibility for the payment of the Earnout Notes. However, under the Allocation Agreement, IDC agreed with Lyneer that IDC will assume all payment obligation under the Earnout Notes. It is not expected that Lyneer will be released as an obligor under the Earnout Notes until the Merger Note is paid in full and the indebtedness is restructured.

#### ***2023 and 2024 Amendments to Seller and Earnout Notes***

Lyneer and IDC did not make the principal and interest payments due on the Seller Notes and the Earnout Notes during 2023. On May 14, 2023, Lyneer signed an amendment, dated as of May 11, 2023 (the “Omnibus Amendment”), to defer the missed payments under the Seller Notes and Earnout Notes until the amended maturity dates of such notes of April 30, 2024 and January 31, 2025, respectively. The Omnibus Amendment changed the interest rate of the Seller Notes and the Earnout Notes to 11.25% per annum from 6.25% per annum for all remaining payments.

The Omnibus Amendment was treated as a modification based upon Lyneer’s analysis according to ASC 470 — *Debt*. As such, Lyneer is deferring its recognition of the \$40,000 amendment fee and will amortize such fee as an adjustment to interest expense over the remaining terms of such notes, along with any existing unamortized costs, using the effective interest method. Lyneer paid the \$40,000 amendment fee and will be reimbursed from IDC. These fees were included in “capital contribution” on Lyneer’s consolidated statements of mezzanine capital and members’ capital (deficit) for the year ended December 31, 2023 included elsewhere in this prospectus. Fees paid to third parties are expensed as incurred, and no gain or loss was recorded on the modification.

As described above, on January 16, 2024, Lyneer and IDC signed an amendment to the Omnibus Agreement with the holders of the Seller Notes and the Earnout Notes to defer the missed July 31, 2023 and October 31, 2023 principal and interest payments, each in the amount of \$1,575,000 plus accrued interest, together with the principal payment in the amount of \$1,575,000 plus accrued interest that is payable on January 31, 2024, all of which will now be payable on February 28, 2024. Lyneer missed the February 28, 2024 payment and is in default of the Seller Notes and Earnout Notes.

#### ***Interest Expense***

Total interest expense is comprised of a cash and non-cash component as described in the debt arrangements described above.

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For the years ended December 31, 2023 and December 31, 2022, total interest expense totaled \$17,538,816 and \$10,008,896, respectively. Total cash paid for interest for the years ended December 31, 2023 and 2022 totaled \$9,150,636 and \$4,859,526, respectively, with the remaining portion of the interest expense as non-cash due to the PIK interest and change in values of the accrued interest liability and amortization of deferred financing costs.

***Assessment of Liquidity Position***

Lyneer has assessed its liquidity position as of December 31, 2023 and December 31, 2022. As of December 31, 2023 and December 31, 2022, the total committed resources available to Lyneer were as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
<b>Cash and Cash Equivalents</b>	\$ 1,352,927	\$ 1,716,161
<b>Committed Liquidity Resources Available:</b>		
Short-term Revolving Credit Facility	(22,518,585)	12,002,753
<b>Total Committed Resources Available</b>	<b><u>\$ (21,165,658)</u></b>	<b><u>\$ 13,718,914</u></b>

As noted above under the caption *Liquidity and Capital Resources*, pursuant to the Forbearance Agreement, following the closing of this offering and the payment of the Merger Note, Lyneer intends to replace its obligations under the Revolver with a new revolving credit facility with a borrowing capacity of up to \$40,000,000. Lyneer believes the borrowing capacity under such new credit facility, its cash flow from operations and the available net proceeds from this offering will provide sufficient liquidity and capital resources following consummation of the Merger to conduct its planned operations for at least one year.

**Related Party Transactions**

*Transactions with Lyneer Management Holdings LLC (“LMH”)*

LMH is owned by Lyneer’s Chief Financial Officer, James Radvany, and its Chief Executive Officer, Todd McNulty, each of whom owns 44.5% of LMH. As part of the purchase price consideration for the Transaction, Lyneer and IDC as co-borrowers entered into Seller Notes payable to LMH. Additionally, on November 15, 2022, Lyneer issued Earnout Notes in the aggregate principal amount of \$5,127,218.

Interest incurred on the Seller Notes payable to LMH totaled \$0 and \$125,869 for the years ended December 31, 2023 and 2022, respectively, and was included in “interest expense” on Lyneer’s consolidated statement of operations for the years ended December 31, 2023 and 2022 included elsewhere in this prospectus.

The principal balance of the Earnout Notes payable to LMH was \$5,127,218 as of December 31, 2023, of which \$5,127,218 was included in “notes payable, current portion — related parties” on Lyneer’s consolidated balance sheets included elsewhere in this prospectus. Earnout Notes payable to LMH was \$5,127,218 as of December 31, 2022, of which \$2,563,609 was included in “notes payable, current portion — related parties” and “notes payable, long term — related parties” on Lyneer’s consolidated balance sheets included elsewhere in this prospectus. Interest expense incurred on the Earnout Notes to LMH totaled \$526,156 and \$28,248 for the years ended December 31, 2023 and 2022, respectively.

*Transactions with IDC*

Lyneer and IDC are co-borrowers and are jointly and severally liable for principal and interest payments under the Revolver, the Term Note, the Seller Notes and the Earnout Notes. In the case of certain of those obligations, IDC generally makes certain interest and principal payments to the lenders and collects reimbursement from Lyneer. When interest or principal payments of that nature are made by IDC, Lyneer recognizes interest expense and a payable to IDC, which is removed from Lyneer’s balance sheet upon remittance of the funds to IDC.

Lyneer and IDC file consolidated income tax returns in certain states. In connection with this arrangement, Lyneer has recorded a liability payable to IDC for taxes payable by IDC, which represent taxes attributable to Lyneer’s operations included on consolidated state and local income tax returns filed by IDC. These amounts are calculated by determining Lyneer’s taxable income multiplied by the applicable tax rate. These amounts totaled \$522,472 and \$402,814 as of December 31, 2023 and 2022, respectively, and are included in “due to related parties” on Lyneer’s consolidated balance sheets included elsewhere in this prospectus.

Total amounts payable to IDC, including the above IDC taxes payable, amounted to \$4,384,178 and \$6,651,064 on December 31, 2023 and December 31, 2022, respectively, and are included in “due to related parties” on Lyneer’s consolidated balance sheets included elsewhere in this prospectus. There are no formalized repayment terms.

*Advance to Officer*

Lyneer advanced \$400,000 to its Chief Executive Officer in 2022. The advance is repayable only upon receipt by such officer of funds that will be owed to him by LMH upon LMH’s receipt of payment under the Earnout Notes. The advance does not bear interest. This advance is recorded in “due from related parties” on Lyneer’s consolidated balance sheets included elsewhere in this prospectus for each of the years ended December 31, 2023 and December 31, 2022.

**Off Balance Sheet Arrangements**

Lyneer has not entered into any off-balance sheet arrangements and does not have any holdings in variable interest entities.

**Critical Accounting Policies and Estimates**

The preparation of Lyneer’s consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosures of contingent assets and liabilities. On an on-going basis, management evaluates its estimates and judgments, including those related to revenue recognition, allowance for doubtful accounts and property and equipment valuation. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management believes the following critical accounting policies, among others, affect its more significant judgments and estimates used in the preparation of its consolidated financial statements.

**Revenue Recognition**

Lyneer derives its revenues from two service lines: temporary placement services and permanent placement and other services. Revenues are recognized when promised goods or services are delivered to customers in an amount that reflects the consideration with which Lyneer expects to be entitled in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of ASC Topic 606 — “*Revenue From Contracts with Customers*” (“ASC 606”), Lyneer performs the following five steps: (i) it identifies the contracts with a customer; (ii) it identifies the performance obligations in the contract; (iii) it determines the transaction price; (iv) it allocates the transaction price to the performance obligations in the contract; and (v) it recognizes revenue when (or as) Lyneer satisfies a performance obligation.

*Temporary Placement Services Revenue*

Temporary placement services revenue from contracts with customers are recognized in the amount which Lyneer has a right to invoice when the services are rendered by Lyneer’s engagement professionals. Lyneer invoices its customers for temporary placement services concurrently with each periodic payroll which coincides with the services provided. While all customers are invoiced weekly and payment terms vary, the majority of Lyneer’s customers have payments terms of 30 days or less. Customers are assessed for credit worthiness upfront through a credit review, which is considered in establishing credit terms for individual customers. Revenues that have been recognized but not invoiced for temporary staffing customers are included in “unbilled accounts receivable” on Lyneer’s consolidated balance sheets and represent a contract asset under ASC 606. Terms of collection vary based on the customer; however, payment generally is due within 30 days.

Most engagement professionals placed on assignment by Lyneer are legally Lyneer’s employees while they are working on assignments. Lyneer pays all related costs of employment, including workers’ compensation insurance, state and federal unemployment taxes, social security, and certain fringe benefits. Lyneer assumes the risk of acceptability of its employees to its customers.

Lyneer records temporary placement services revenue on a gross basis as a principal, rather than on a net basis as an agent in the presentation of revenues and expenses. Lyneer has concluded that gross reporting is appropriate because Lyneer (i) has the risk of identifying and hiring qualified employees, (ii) has the discretion to select the employees and establish their price and duties, and (iii) bears the risk for services that are not fully paid for by customers.

#### Permanent Placement and Other Services Revenue

Permanent placement and other services revenue from contracts with customers are primarily recognized when employment candidates accept offers of permanent employment and begin work for Lyneer's customers. Certain of Lyneer's permanent placement contracts contain a 30-day guarantee period. Lyneer has a substantial history of estimating the financial impact of permanent placement candidates who do not remain with its clients through the 30-day guarantee period. In the event that a candidate voluntarily leaves or is terminated for cause prior to the completion of 30 days of employment, Lyneer will provide a replacement candidate at no additional cost, as long as the placement fee is paid within 30 days of the candidate's start date. When required, Lyneer defers the recognition of revenue until a replacement candidate is found and hired, and any associated collected amount is recorded as a contract liability. Fees to clients are generally calculated as a percentage of the new employee's annual compensation. No fees for permanent placement talent solutions services are charged to employment candidates, regardless of whether the candidate is placed.

Contract liabilities are recorded when cash payments are received or due in advance of performance and are reflected in accounts payable and accrued expenses on the accompanying consolidated balance sheets.

#### **Business Combinations**

Total consideration transferred for acquisitions is allocated to the tangible and intangible assets acquired and liabilities assumed, if any, based on their fair values at the dates of acquisition. This purchase price allocation process requires management to make significant estimates and assumptions with respect to intangible assets and other fair value adjustments with respect to certain assets acquired and liabilities assumed. The fair value of identifiable intangible assets is based on detailed valuations that use information and assumptions determined by management. Any excess of purchase price over the fair value of the net tangible and intangible assets acquired is allocated to goodwill. While Lyneer use its best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date, as well as any contingent consideration, where applicable, Lyneer's estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, Lyneer records adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to Lyneer's consolidated statements of comprehensive income.

For business combinations that require additional assets or equity securities to be transferred to the selling parties in the event certain future events occur or conditions are met (contingent consideration), Lyneer recognizes the acquisition-date fair value of contingent consideration as part of the consideration transferred in exchange for the business combination. Contingent consideration meeting the criteria to be classified as equity in the consolidated balance sheets is not remeasured, and its subsequent settlement is recorded within equity. Contingent consideration classified as a liability is remeasured to fair value at each reporting date until the contingency is resolved, with any changes in fair value recognized in Lyneer's consolidated statements of operations. All contingent consideration issued in connection with the Transaction was liability-classified.

#### **Intangible Assets**

Lyneer's identifiable intangible assets as of December 31, 2023 and 2022 consisted of Lyneer's customer relationships and tradenames and were initially recognized as a result of the Transaction and represent definite lived intangible assets. Lyneer does not currently have any indefinite lived intangible assets. Lyneer's intangible assets are amortized using the straight-line method over their estimated useful lives.

In accordance with the accounting standard for the impairment or disposal of long-lived assets under ASC 360, Lyneer's long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that carrying amounts may not be recoverable (i.e., information indicates that an impairment might exist).

For long-lived assets to be held and used, Lyneer recognizes an impairment loss only if the carrying amount is not recoverable through its undiscounted cash flows and measures the impairment loss based on the difference between the carrying amount and fair value. For the years ended December 31, 2023 and 2022, no impairments were recognized on Lyneer's intangible assets.

### **Income Taxes**

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. 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 includes the enactment date. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Lyneer assesses the likelihood that deferred tax assets will be realized in accordance with the provisions of ASC Topic 740 — “*Income Taxes*” (“ASC 740”). ASC 740 requires that a valuation allowance be established when it is “more likely than not” that all, or a portion of, deferred tax assets will not be realized. The assessment considers all available positive or negative evidence, including the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies.

### **Contingent Consideration Liability**

Contingent consideration liability represents the change in fair value of the contingent consideration obligation included in current and noncurrent contingent consideration on the consolidated balance sheet, which is remeasured as of the end of each reporting period with changes recognized in earnings.

The contingent consideration earn-outs each include a base earn-out of \$6,125,000 (\$12,250,000 in total) if a certain level of revenues less gross wages is achieved by Lyneer. Additional payments are due subject to a formula for performance beyond that level, with no maximum. The contingent consideration valuation was determined using a Monte Carlo simulation, with key inputs being the standard deviation applied to Lyneer's revenues, revenue multiple and discount rate. The measurement period for Lyneer's contingent consideration arrangements expired on August 31, 2023, at which time amounts owed by Lyneer to its former owners were computed and represented fixed amounts, which are included in “accrued expenses and other current liabilities” and “other liabilities” on Lyneer's consolidated balance sheets included elsewhere in this prospectus.

Adjustments to the fair value of the contingent consideration obligation for the years ended December 31, 2023 and 2022 were charges of (\$150,093) and \$894,133, respectively.



## OUR SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

On August 30, 2023, we amended our amended and restated certificate of incorporation to effect a one-for-40 reverse stock split of our common stock and to increase our authorized shares of common stock from 80,000,000 shares to 300,000,000 shares. The following selected historical financial data was derived from our historical statements that have been incorporated by reference into this prospectus, and recasts certain portions of such financial statements to give effect to the reverse stock split and the increase in the number of authorized shares of our common stock. No other changes to our historical financial statements were made in recasting the amounts set forth below.

	Years Ended December 31,	
	2023	2022
<b>Statement of Operations Data</b>		
Sales	—	\$ 1,177
Grant revenue	—	77,482
Total revenue	—	78,659
Total operating expenses	\$ 5,732,509	4,075,807
Income (Loss) from operations	\$ (5,732,509)	(3,997,148)
Interest and dividend income	—	—
Other income		
Investment income	(82,665)	(44,879)
Unrealized gain on marketable equity securities	—	(54,508)
Realized loss (gain) on marketable equity securities (gain)	(106,051)	106,324
Change in fair value of convertible notes	—	—
Loss on extinguishment of convertible notes		—
Interest expense	83,798	90,748
Net loss	<u>(5,627,591)</u>	<u>(4,094,833)</u>
<b>Other comprehensive income</b>		
Unrealized gain on marketable debt securities	—	22,451
Reclassification adjustment for net gains included in net loss	(22,451)	
Total comprehensive loss	<u>(5,650,042)</u>	<u>\$ (4,072,382)</u>
<b>Net loss per share – basic and diluted<sup>(1)</sup></b>	<u>(15.03)</u>	<u>(12.38)</u>
<b>Weighted average common shares – basic and diluted<sup>(1)</sup></b>	<u>374,484</u>	<u>330,648</u>
<b>Balance Sheet Data (at year end)</b>		
Cash and cash equivalents	2,693,991	\$ 2,180,525
Working capital <sup>(2)</sup>	198,543	5,407,452
Total assets	4,436,361	8,414,241
Total liabilities	3,828,618	4,047,355
Preferred stock, \$0.00001 par value; 20,000,000 shares authorized, 0 shares issued and outstanding	—	—
Common stock, \$0.00001 par value; 300,000,000 shares authorized, 380,648, 330,648 and 297,159 shares issued and outstanding as of September 30, 2023, December 31, 2022 and December 31, 2021, respectively <sup>(1)</sup>	4	3
Additional paid-in capital <sup>(1)</sup>	24,744,014	22,853,116
Accumulated deficit	24,136,275	(18,508,684)
Accumulated other comprehensive income	—	22,451
Total stockholders' equity	\$ 4,436,361	\$ 4,366,886

(1) Adjusted to give effect for one-for-40 Reverse Stock Split that occurred on August 30, 2023.

(2) Working capital represents total current assets less total current liabilities.

\* \* \*

## UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined balance sheet as of December 31, 2023 and the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2023, give effect to the proposed Merger of SeqLL Merger Sub, Atlantic Merger Sub and Lyneer, representing a reverse recapitalization with Lyneer being the continuing entity for accounting purposes. The unaudited pro forma condensed combined financial information give effect to the Merger and related transactions, including (i) the divestiture of our pre-existing assets and liabilities (excluding the restricted cash), (ii) the consummation of this offering with gross proceeds of approximately \$20,000,000, (iii) the issuance of the Merger Note in the principal amount of \$18,750,000, (iv) the derecognition of certain joint and several debt obligations that will not be repaid by Lyneer pursuant to an agreement between IDC and Lyneer, (v) the effect of the reverse stock split of our common stock that was effected on August 30, 2023, and (vi) the effect of recording incremental transaction costs, including distribution of shares of our common stock to Atlantic for advisory services rendered, (vii) the exercise by LMH on February 28, 2024 of the put option to IDC of the redeemable units of Lyneer held by LMH (the “Put”). The following unaudited pro forma condensed combined financial information has been prepared in accordance with Article 11 of Regulation S-X under the Securities Act, as amended by the final rule, SEC Release No. 33-10786 “*Amendments to Financial Disclosures about Acquired and Disposed Businesses.*”

The unaudited pro forma combined financial information set forth below has been presented for informational purposes only. The pro forma information is not necessarily indicative of what the combined company’s financial position or results of operations would have been had the Merger been completed on the dates indicated. In addition, the unaudited pro forma condensed combined financial information does not purport to project the future financial position or operating results of the combined company.

The unaudited pro forma condensed combined balance sheet as of December 31, 2023 gives effect to the Merger and the Put as if they took place on December 31, 2022. The unaudited pro forma condensed combined statements of operations for the periods presented give effect to the Merger as if it took place on January 1, 2023.

The historical consolidated financial information has been adjusted in the unaudited pro forma condensed combined financial statements to give effect to pro forma events that are (i) directly attributable to the Merger, (ii) factually supportable, and (iii) with respect to the statements of earnings, expected to have a continuing impact on the combined results. The unaudited pro forma condensed combined financial information should be read in conjunction with the accompanying notes to the unaudited pro forma condensed combined financial statements. In addition, the unaudited pro forma condensed combined financial information is based on, and should be read in conjunction with, the historical consolidated financial statements and accompanying notes of Lyneer and our company for the applicable periods.

### *Description and Treatment of the Put*

On February 28, 2024, LMH exercised its option to put to IDC the redeemable units of Lyneer held by LMH in exchange for a note of IDC in an amount equal to the accreted value of approximately \$10.8 million. As the exercise of the put option was considered to be a subsequent event for accounting purposes and based on factors not known at December 31, 2023, no accounting effect was made in the historical financial statements of Lyneer at December 31, 2023.

In accordance with Article 11 of Regulation S-X, Lyneer has considered this transaction as a material transaction for application of the rule and has given effect to this transaction in the pro forma presentation as if the transaction had occurred at December 31, 2023. The result of this transaction is transferring the value of the redeemable units reflected as mezzanine capital on Lyneer’s balance sheet to member’s equity of Lyneer.

### *Accounting Analysis of the Transaction*

On May 29, 2023, we entered into the Merger Agreement with Atlantic, Atlantic Merger Sub, SeqLL Merger Sub, Lyneer and the Sellers, which was subsequently amended on June 23, 2023, October 5, 2023, October 17, 2023, November 3, 2023, January 16, 2024, and April 15, 2024. Pursuant to the Merger Agreement, as amended, and subject to the terms and conditions set forth therein, Atlantic Merger Sub will initially be merged into Lyneer,

and SeqLL Merger Sub will then be merged into Lyneer, with Lyneer continuing as the surviving entity and as our wholly-owned subsidiary. In connection with the consummation of the Merger, we will be renamed “Atlantic International Corp.”

It is important to understand the substance of the transaction in determining the appropriate accounting for the Merger. The following transactions have occurred or will occur in connection with effecting the transactions contemplated by the Merger Agreement:

On August 21, 2023, we held a special meeting of stockholders at which our stockholders authorized an increase in the size of our board of directors to seven individuals and approved amendments to our amended and restated certificate of incorporation to (i) increase our authorized shares of common stock from 80,000,000 shares to 300,000,000 shares, (iii) effect a reverse stock split of our outstanding common stock on an up to one-for-40 basis, as determined by our board of directors, which subsequently approved the reverse stock split of our common stock on a one-for-40 basis that was effected on August 30, 2023, and (iv) change our corporate name upon the consummation of the Merger from “SeqLL Inc.” to “Atlantic International Corp.”

In connection with the closing of the Merger and this offering:

- Our cash on hand at closing of the Merger will be restricted for use only for the benefit of our stockholders of record as of September 26, 2023 as payment for the release of possible claims relating to our cancellation of the cash dividend to such stockholders contemplated by the Merger Agreement (December 31, 2023 totaled approximately \$2.7 million). The actual amounts of the cash on hand and settlement could differ materially.
- Our remaining assets will be sold to, and the majority of our liabilities will be assumed by, a newly-formed affiliated entity (SeqLL Omics Inc.). Following such divestiture, we will have no or nominal assets and no or nominal operations, and we will be deemed a shell company for accounting purposes.
- Atlantic Merger Sub will initially be merged into Lyneer, and SeqLL Merger Sub will then be merged into Lyneer, with Lyneer continuing as the surviving entity and as a wholly-owned subsidiary of our company. Lyneer will be the continuing operating company.
- IDC will receive cash consideration of \$16,250,000 and shares of our common stock valued at \$55,000,000 based upon the price at which our common stock is sold in this offering. IDC will also receive the Merger Note in the principal amount of \$18,750,000, which will mature on July 31, 2024. A portion of the cash consideration received by IDC and the proceeds of the Merger Note to be received by IDC will be used to settle certain debt obligations.
- IDC and Lyneer have entered into an Allocation Agreement dated as of December 31, 2023 whereby Lyneer will be responsible for repaying only its portion of the revolving credit facility secured by the borrowing base calculation, which is estimated to be \$40,000,000. The actual amount of Lyneer’s borrowing base at closing could differ materially from this estimated amount. Under this same agreement, IDC has assumed its portion of the revolving credit facility and all other joint and several debt obligations that originated from IDC’s acquisition of Lyneer on August 31, 2021. However, until such time as the IDC and Lyneer’s joint and several indebtedness is restructured, Lyneer will be responsible for all indebtedness if IDC is unable or unwilling to pay. Accounting for this agreement by Lyneer is reflected as part of the recapitalization pursuant to the Merger, whereby all joint and several debt obligations will be deconsolidated except for the \$40,000,000 revolving line of credit that Lyneer has agreed with its co-obligor to repay.
- The value of our shares of common stock that will be issued to a designee of IDC and to Lyneer Management in the Merger will total approximately \$55,000,000, based upon the price at which the shares of our common stock are sold in this offering.
- Atlantic will receive shares of our common stock in connection with the Merger valued at the price at which the shares are sold in this offering, equal to \$43,000,000, which shares will be deemed issued for advisory services rendered.

- A settlement offer amounting to \$10,887,511, consisting of cash and common stock, will be made to our pre-Merger stockholders as of September 25, 2023. This amount is calculated using the amount of cash on hand at December 31, 2023 (the actual amount of such available cash on the date of closing of the Merger may be more or less than that amount) and 819,352 shares of our common stock to be held in escrow and to be issued to our pre-Merger stockholders in settlement of potential claims relating to our cancellation of a cash and stock dividend pursuant to the Merger Agreement, before the October 26, 2023 amendment. The shares of our common stock are based on the value of the shares of our common stock sold in this offering at \$10.00 per Unit.

*Determination of Accounting Acquirer*

The Merger represents a reverse merger and will be accounted for as a reverse recapitalization in accordance with GAAP. Under this method of accounting, although we will acquire all of the outstanding equity interests of Lyneer in the Merger, we will be treated as the “acquiree” and Lyneer will be treated as the “acquirer” for financial reporting purposes. Accordingly, the Merger will be reflected as the equivalent of Lyneer issuing shares for our net assets, followed by a recapitalization whereby no goodwill or other intangible assets are recorded. Operations prior to the Merger will be those of Lyneer. There will be no accounting effect or change in the carrying amount of the assets and liabilities as a result of the Merger. The Merger does not represent a business combination accounted for accounting purposes under ASC 805 *Business Combinations*, because neither Atlantic Merger Sub nor we will meet the definition of a business.

Having considered Topic 12 of the SEC Financial Reporting Manual, Lyneer has been determined to be the continuing entity for accounting purposes and the Merger represents a reverse recapitalization with regard to Atlantic. We considered the following factors in completing the accounting analysis, with greater weight being given to (a), (d) and (e):

- a. Lyneer is the largest entity, in terms of substantive operations;
- b. Subsequent to our sale of assets to SeqLL Omics and immediately prior to consummation of the Merger, we will have no or nominal assets and no or nominal operations, and will not meet the definition of a business;
- c. Atlantic Merger Sub has no operations and does not meet the definition of a business;
- d. Lyneer will comprise the ongoing operations of the combined entity as the only company with historical operations;
- e. All of the Lyneer employees will continue with the combined entity;
- f. No affiliate entities or individual stockholders of Lyneer, Atlantic or our company will have voting control on our board of directors following the Merger; and
- g. Individuals affiliated with Atlantic will be appointed as the Chief Executive Officer and the Chief Operating Officer and Acting Chief Financial Officer of our company following the Merger.

The unaudited pro forma condensed combined financial information have been prepared based on preliminary estimates, and the final amounts recorded for the Merger may differ materially from the information presented herein. These estimates are subject to change pending further review of the fair value of the assets acquired and the liabilities assumed.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEETS

As of December 31, 2023

	Lyneer (Historical)	SeqLL, Inc. (Historical)	SeqLL, Inc Asset Sale (Note 1a)	Adjusted SeqLL, Inc.	Put of Redeemable Units (Note 1b)	Recapitalization	Note	Offering	Total Adjustments	Pro Forma As Adjusted	
<b>Assets</b>											
<b>Current assets</b>											
Cash and cash equivalents	\$ 1,352,927	\$ 2,693,991	(2,693,991)	\$ —	\$ —	2d	\$ (16,250,000)	3	\$ 17,695,000	\$ 1,445,000	\$ 2,797,927
Restricted cash	—	—	2,693,991	2,693,991	—	—	—	—	—	—	2,693,991
Marketable securities	—	—	—	—	—	—	—	—	—	—	—
Accounts receivable, net	58,818,832	2,723	(2,723)	—	—	—	—	—	—	—	58,818,832
Unbilled accounts receivable	5,660,753	—	—	—	—	—	—	—	—	—	5,660,753
Deposits, current	8,000,000	—	—	—	—	—	—	—	—	—	8,000,000
Prepaid income taxes	1,281,925	—	—	—	—	—	—	—	—	—	1,281,925
Prepaid expenses and other current assets	3,684,011	32,933	(32,933)	—	—	—	—	—	—	—	3,684,011
<b>Total current assets</b>	<b>78,798,448</b>	<b>2,729,647</b>	<b>(35,656)</b>	<b>2,693,991</b>	<b>—</b>	<b>(16,250,000)</b>	<b>17,695,000</b>	<b>1,445,000</b>	<b>1,445,000</b>	<b>82,937,439</b>	
<b>Noncurrent assets</b>											
Property and equipment, net	432,695	625,360	(625,360)	—	—	—	—	—	—	—	432,695
Intangible assets, net	36,188,889	—	—	—	—	—	—	—	—	—	36,188,889
Due from related parties	1,150,000	—	—	—	—	2d	(400,000)	—	(400,000)	—	750,000
Right-of-use assets	2,368,677	998,346	(998,346)	—	—	—	—	—	—	—	2,368,677
Deferred tax assets, net	5,242,610	—	—	—	—	—	23,400,000	—	23,400,000	—	28,642,610
Other assets	2,485,290	83,008	(83,008)	—	—	4	—	—	—	—	2,485,290
<b>Total noncurrent assets</b>	<b>47,868,161</b>	<b>1,706,714</b>	<b>(1,706,714)</b>	<b>—</b>	<b>—</b>	<b>23,000,000</b>	<b>—</b>	<b>23,000,000</b>	<b>—</b>	<b>70,868,161</b>	
<b>Total assets</b>	<b>\$ 126,666,609</b>	<b>\$ 4,436,361</b>	<b>\$ (1,742,370)</b>	<b>\$ 2,693,991</b>	<b>\$ —</b>	<b>\$ 6,750,000</b>	<b>\$ 17,695,000</b>	<b>\$ 24,445,000</b>	<b>\$ 24,445,000</b>	<b>\$ 153,805,600</b>	
<b>Liabilities, mezzanine capital, stockholders equity and members' deficit</b>											
<b>Current liabilities</b>											
Accounts payable	\$ 799,568	\$ 522,940	(522,940)	\$ —	\$ —	—	\$ —	\$ —	\$ —	\$ 799,568	
Accrued expenses and other current liabilities	16,044,095	375,191	(375,191)	—	—	2c	10,887,511	—	7,412,557	23,456,652	
						2d	(3,474,954)				
Due to related parties	4,384,178	—	—	—	—	2d	(4,384,178)	—	(4,384,178)	—	
Current lease liabilities <sup>1</sup>	1,436,813	257,973	(257,973)	—	—	—	—	—	—	1,436,813	
Notes payable, current portion	138,900,203	1,375,000	—	1,375,000	—	2d	18,750,000	—	(27,857,673)	112,417,530	
							1,785,114				
							(39,092,695)				
							6,949,908				
							(16,250,000)				
<b>Total current liabilities</b>	<b>161,564,857</b>	<b>2,531,104</b>	<b>(1,156,104)</b>	<b>1,375,000</b>	<b>—</b>	<b>(24,829,294)</b>	<b>—</b>	<b>(24,829,294)</b>	<b>(24,829,294)</b>	<b>138,110,563</b>	

1 Includes certain financing leases attributed to SeqLL, which will be terminated upon the consummation of the Transaction.



UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEETS — (Continued)

As of December 31, 2023										
	Lyneer (Historical)	SeqLL, Inc. (Historical)	SeqLL, Inc Asset Sale (Note 1a)	Adjusted SeqLL, Inc.	Put of Redeemable Units (Note 1b)	Recapitalization	Note	Offering	Total Adjustments	Pro Forma As Adjusted
<b>Total noncurrent liabilities</b>										
Notes payable, net of current portion	—	—	—	—	—	—	—	—	—	—
Noncurrent lease liabilities <sup>2</sup>	980,851	1,297,514	(1,297,514)	—	—	—	—	—	—	980,851
Other liabilities	3,474,954	—	—	—	—	2d	(3,474,954)	—	(3,474,954)	—
<b>Total noncurrent liabilities</b>	<b>4,455,805</b>	<b>1,297,514</b>	<b>(1,297,514)</b>	<b>—</b>	<b>—</b>		<b>(3,474,954)</b>	<b>—</b>	<b>(3,474,954)</b>	<b>980,851</b>
<b>Total liabilities</b>	<b>166,020,662</b>	<b>3,828,618</b>	<b>(2,453,618)</b>	<b>1,375,000</b>	<b>—</b>		<b>(28,304,248)</b>	<b>—</b>	<b>(28,304,248)</b>	<b>139,091,414</b>
<b>Commitments and contingencies</b>										
<b>Mezzanine Capital</b>										
Redeemable Units	10,663,750	—	—	—	(10,663,750)	—	—	—	(10,663,750)	—
<b>Stockholders equity (deficit)</b>										
Members' Deficit	(50,017,803)	—	—	—	—	2a	50,017,803	—	50,017,803	—
Preferred stock, \$0.00001 par value; 20,000,000 shares authorized; 0 shares issued and outstanding	—	—	—	—	—	—	—	—	—	—
Common stock, \$0.00001 par value; 300,000,000 shares authorized; 380,648 shares issued and outstanding	—	4	—	4	—	2b, 2d, 2e	63, 43	3	20, 126	130
Additional paid-in capital	—	24,744,014	711,248	25,455,262	10,663,750	2a	—	3	17,694,980	69,764,108
						2b	(24,136,283)			95,219,370
						2d	54,999,945			
						2d	(32,458,241)			
						2e	42,999,957			
Accumulated deficit	—	(24,136,275)	—	(24,136,275)	—	2b	24,136,275	—	(56,369,039)	(80,505,314)
						4	23,400,000			
						2c	(10,887,511)			
						2a	(50,017,803)			
						2e	(43,000,000)			
Accumulated other comprehensive income	—	—	—	—	—	—	—	—	—	—
<b>Total stockholders equity (deficit)</b>	<b>(50,017,803)</b>	<b>607,743</b>	<b>711,248</b>	<b>1,318,991</b>	<b>10,663,750</b>		<b>35,054,248</b>	<b>17,695,000</b>	<b>63,412,998</b>	<b>14,714,186</b>
<b>Total Liabilities, mezzanine capital and stockholders equity</b>	<b>126,666,609</b>	<b>4,436,361</b>	<b>(1,742,370)</b>	<b>2,693,991</b>	<b>—</b>		<b>6,750,000</b>	<b>17,695,000</b>	<b>24,445,000</b>	<b>153,805,600</b>

2 Includes certain financing leases attributed to SeqLL, which will be terminated upon the consummation of the Transaction.

See accompanying notes to unaudited pro forma condensed combined financial statements

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS

Year ended December 31, 2023

	Year ended December 31, 2023				
	Lyneer (Historical)	SeqLL, Inc. (Historical)	Note	Pro Forma Adjustments	Pro Forma as Adjusted
<b>Revenue</b>					
Service revenue, net	\$ 401,374,701	\$ —		\$ —	\$ 401,374,701
<b>Total revenue</b>	<b>401,374,701</b>	<b>—</b>		<b>—</b>	<b>401,374,701</b>
Cost of revenue	354,496,441	—		—	354,496,441
<b>Operating expenses</b>					
Research and development	—	2,253,354	5	(2,253,354)	—
Selling, general and administrative	45,441,659	3,479,155	5	(3,479,155)	45,441,659
Estimated executive compensation	—	—	6	4,425,000	4,425,000
Estimated audit, legal, insurance and management fees	—	—	7	1,650,000	1,650,000
Change in fair value of contingent consideration liability	(150,093)	—	8	150,093	—
Depreciation and amortization	5,038,218	—		—	5,038,218
<b>Total operating expenses</b>	<b>50,329,784</b>	<b>5,732,509</b>		<b>492,584</b>	<b>56,554,877</b>
Interest expense	17,538,816	83,798	5,9	(17,622,614)	15,729,387
			10	15,729,387	
Investment income	—	(82,665)	5	82,665	—
Other income (loss)	—	(106,051)	5	106,051	—
Loss on extinguishment of debt	189,951	—		—	189,951
Settlement with legacy shareholders	—	—	15	10,887,511	10,887,511
Stock based compensation for Advisors	—	—	11	43,000,000	43,000,000
<b>Total other expenses</b>	<b>17,728,767</b>	<b>(104,918)</b>		<b>52,183,000</b>	<b>69,806,849</b>
<b>Net (loss) income before provision for income taxes</b>	<b>\$ (21,180,291)</b>	<b>\$ (5,627,591)</b>		<b>\$ (52,675,584)</b>	<b>\$ (79,483,466)</b>
Provision (benefit) for income taxes	(5,928,271)	—	13	(14,737,430)	(20,665,701)
Deferred tax benefit	-	—	14	(23,400,000)	(23,400,000)
Amortization of deferred tax benefit	—	—	12	1,560,000	1,560,000
<b>Net (loss) income</b>	<b>\$ (15,252,020)</b>	<b>\$ (5,627,591)</b>		<b>\$ (16,098,154)</b>	<b>\$ (36,977,765)</b>
<b>Other comprehensive income</b>					
Unrealized gain on marketable debt securities	\$ —	\$ (22,451)	5	\$ 22,451	\$ —
Weighted average number of common shares – basic and diluted	—	374,484		—	13,000,000
<b>Net income (loss) per share – basic and diluted</b>	<b>\$ —</b>	<b>\$ (15.03)</b>		<b>\$ —</b>	<b>\$ (2.84)</b>

See accompanying notes to unaudited pro forma condensed combined financial statements



### Note 1. Basis of Pro Forma Presentation

The Merger will be accounted for as a capital transaction in substance and not as a business combination under ASC 805 for financial reporting purposes. Accordingly, for accounting purposes, the financial statements of the combined entity will represent a continuation of the financial statements of Lyneer, and the net assets of Lyneer will be stated at historical cost, with no goodwill or other intangible assets recorded.

The unaudited pro forma condensed combined financial statements were prepared in accordance with GAAP and pursuant to Article 11 of SEC Regulation S-X and present the pro forma financial position and results of operations of the combined companies based upon the historical information after giving effect to the Merger and the adjustments described in these footnotes.

The unaudited pro forma condensed combined balance sheet is presented as if the Merger had occurred on December 31, 2023 and the pro forma condensed combined statement of operations is presented as if the Merger had occurred on January 1, 2023.

The unaudited pro forma condensed combined financial information has been prepared using the following assumptions with respect to the Merger and related transactions:

- The gross proceeds of this offering will be approximately \$20,000,000;
- The one-for-40 reverse stock split of our common stock has occurred;
- Employment and consulting agreements detailing stock awards to be granted to employees and consultants post-Merger have not been finalized at this time. We have excluded any post-Merger compensation associated with any potential awards to be granted;
- We have excluded the Pre-Funded Warrants, the Series A Warrants exercisable to purchase 2,000,000 shares of common stock and the Series B Warrants exercisable to purchase 2,000,000 shares of common stock. The Series A Warrants have a stated exercise price of 130% of the issuance price of the Units (or \$13.00 per share), which, subject to the approval of our stockholders, will be reduced on each trading day (each a “Reset Date”) commencing on the third trading day immediately following the date of effectiveness of such Stockholder Approval until the 40<sup>th</sup> trading day following such effective date (the “Reset Period”) to a new exercise price equal to the lower of (i) the then exercise price, taking into account any prior reductions to the exercise price, and (ii) a price equal to 105% of the lowest per share volume weighted average price (VWAPs) of the common stock on the CBOE on any trading day during the period from the closing date of this offering to such Reset Date (the “Price Adjustment Provisions”). In the Series A Warrants, we will agree to obtain majority stockholder consent to the Price Adjustment Provisions by filing an information statement with the SEC within 15 days of the closing of this offering that will become effective 20 days after filing. The Series B Warrants have a stated exercise price of 200% of the issuance price of the Units (or \$20.00 per share). The holders of the Series A Warrants and the Series B Warrants have a cashless exercise option that provides the holders the ability to obtain shares for no cash consideration in the event there is not an effective registration statement relating to the shares issuable upon the exercise of those warrants. In addition, subject to the approval of our stockholders, the holders of Series B Warrants also will have an “alternative cashless exercise” option at any time in which a holder will be entitled to receive, without the payment of additional consideration, a number of shares of common stock issuable upon exercise that will equal the product of (a) the number of shares of common stock that would be issuable upon exercise of such warrant in accordance with the terms of such warrant if such exercise were by means of a cash exercise rather than a cashless exercise and (b) the quotient obtained by dividing (i) the exercise price minus the lowest VWAP on any trading day during the ten trading days immediately prior to the applicable exercise date by (ii) 50% of the lowest VWAP on any trading day during the ten trading days immediately prior to the applicable exercise date (the “Alternative Cashless Exercise Provisions”). In the Series B Warrants, we will agree to obtain majority stockholder consent to the Alternative Cashless Exercise Provisions by filing an information statement with the SEC within 15 days of the closing of this offering that will become effective 20 days after filing.
- We have excluded 46,000 shares of common stock issuable upon exercise of the Representative’s warrants. For pro forma purposes, it is assumed these warrants are equity classified; and
- IDC and Lyneer have entered into an Allocation Agreement dated as of December 31, 2023, whereby Lyneer agreed to be responsible for repaying only its portion of the revolving credit facility secured by the borrowing base calculation, which is estimated to be \$40,000,000. Under this same agreement, IDC agreed to assume its portion of the revolving credit facility, and also the Term Note, and all Seller and Earnout Notes and liabilities, which originated from IDC’s acquisition of Lyneer on August 31, 2021.

If actual facts differ from these assumptions, then the amounts and shares outstanding in the unaudited pro forma condensed combined financial information will be different.

The unaudited condensed combined pro forma adjustments reflecting the consummation of the Merger are based on certain estimates and assumptions. These estimates and assumptions are based on information available as of the dates of these unaudited pro forma condensed combined financial statements and may be revised as additional information becomes available. Therefore, it is likely that the actual adjustments will differ from the pro forma adjustments, and it is possible the difference may be material. The unaudited pro forma condensed combined financial information does not give effect to any anticipated synergies, operating efficiencies or cost savings that may be associated with the Merger.

**Note 2. Accounting Policies**

Upon consummation of the Merger, management will perform a comprehensive review of the combined entities' accounting policies. As a result of the review, management may identify differences between the accounting policies of the entities that, when conformed, could have a material impact on the financial statements of SeqLL following the Merger. Based on its initial analysis, management did not identify any differences that would have a material impact on the unaudited pro forma condensed combined financial information. As a result, the unaudited pro forma condensed combined financial information does not assume any differences in accounting policies.

**Note 3. Adjustments to Unaudited Pro Forma Condensed Combined Balance Sheet**

The following pro forma adjustments are based on preliminary estimates, which may change significantly as additional information is obtained and additional analyses are performed:

1. Reflects transactions not associated with the Merger:
  - (a) Reflects the sale of our tangible and intangible assets, properties and rights pursuant to the Asset Purchase Agreement. Pursuant to the terms of the Asset Purchase Agreement, we will sell all of our pre-Merger assets and assign all of our liabilities, excluding (i) cash on hand which will be held as restricted cash (ii) a 12-month rent liability and (iii) a \$1,375,000 note payable, both of which will be retained by us following the consummation of the Merger.
  - (b) Reflects the exercise by LMH on February 28, 2024 of its option to put to IDC the redeemable units of Lyneer.
2. Reflects the pro forma transaction adjustments included in the unaudited pro forma condensed combined financial information related to the reverse merger and recapitalization:
  - (a) Gives effect to the elimination of members' deficit.
  - (b) Adjustment to eliminate our accumulated deficit, additional paid in capital, common stock, preferred stock, and accumulated other comprehensive income.
  - (c) Adjustment to reflect a settlement offer in lieu of the cash and stock dividends agreed to in the Merger Agreement. The cash and shares to be issued will be held in escrow to be paid and issued upon each pre-Merger stockholder releasing us from future litigation.
  - (d) Adjustments to:
    - (i) reflect (a) the terms of the Allocation Agreement dated as of December 31, 2023 between IDC and Lyneer, whereby Lyneer agreed to be responsible for repaying only its portion of the revolving credit facility secured by the borrowing base calculation, which is estimated to be \$40,000,000, and (b) a partial paydown of the Term Note upon the consummation of the Merger and any additional amounts assumed as uncertainty exists for IDC to repay its portion of its assumed obligations;
    - (ii) reflect the issuance of the \$18,750,000 Merger Note at consummation of the Merger, that will mature on July 31, 2024; and
    - (iii) reflect the settlement upon consummation of the Merger of all intercompany balances between Lyneer and IDC, and all outstanding balances with related parties.

IDC and Lyneer have entered into an Allocation Agreement dated as of December 31, 2023, whereby Lyneer agreed to be responsible for repaying only its portion of the revolving credit facility secured by the borrowing base calculation, which is estimated to be \$40,000,000. Under

this same agreement, IDC agreed to assume its portion of the revolving credit facility, the Term Note, and all Seller and Earnout Notes and liabilities, which originated from IDC's acquisition of Lyneer on August 31, 2021. However, IDC and Lyneer will remain as co-borrowers under these joint and several liability arrangements until such time as their indebtedness is restructured or repaid. As of December 31, 2023, the total joint and several debt obligations of Lyneer and IDC, net of debt discounts, was \$138,900,203.

- (e) Transfer of \$43,000,000 of our common stock to certain individuals associated with Atlantic Merger Sub as advisory fees for overseeing and structuring of the Merger.
- 3. Represents the adjustment for selling \$20,000,000 of our common stock in this offering, offset by transaction-related costs payable to the underwriters and advisors and for associated legal and accounting expenses.
- 4. Reflects the effect of the IRC Section 754 election taken to adjust the partnership basis for the consideration transferred in the transaction. An estimated effective tax rate of 26% was used to account for the tax loss/benefit, representing the estimated tax rate of SeqLL following the Merger.

#### **Note 4. Adjustments to Unaudited Pro Forma Condensed Combined Statement of Operations**

The pro forma basic and diluted loss per share amounts presented in the unaudited pro forma condensed combined statements of operations are based upon the number of new shares of our common stock outstanding, assuming the Merger occurred on January 1, 2023.

The following pro forma adjustments are based on preliminary estimates, which may change significantly as additional information is obtained and additional analyses are performed.

The pro forma transaction adjustments included in the unaudited pro forma combined statement of operations are as follows:

- 5. Reflects the elimination of our historical operations.
- 6. Reflects estimated base salary and annual bonus and transaction bonus amounts to be incurred for the executive management team.
- 7. Reflects incremental costs attributed to public company filing status, including but not limited to audit, legal and insurance fees.
- 8. Reflects elimination of contingent consideration expense for which amounts will be settled prior to completion of the Merger.
- 9. Represents elimination of interest expense incurred on various debt obligations that are being extinguished at the closing of the Merger.
- 10. Represents interest expense to be incurred on outstanding debt post-Merger.
- 11. Represents expense recognized for shares issued to Atlantic for advisory services performed associated with the Merger and related transactions. Shares issued to Atlantic consist of our common stock with no vesting provisions.
- 12. Reflects the straight-line amortization of the adjustment in partnership basis over 15 years for the consideration transferred in the transaction.
- 13. An estimated effective tax rate of 26% was used to account for the tax loss/benefit, representing the estimated tax rate of our company following the consummation of the Merger.
- 14. Reflects the effect of the IRC Section 754 election taken to adjust the partnership basis for the consideration transferred in the transaction. An estimated effective tax rate of 26% was used to account for the tax loss/benefit, representing the estimated tax rate of our company following the consummation of the Merger. An IRC Section 382 analysis has not yet been performed with respect to the potential limitation of tax attributes of the Merger for Lyneer and our company. This will be performed with the closing of the Merger.
- 15. Reflects the proposed settlement offer to our pre-Merger stockholders.

**Note 5. Net Loss per Share**

Net loss per share included on the Unaudited Pro Forma Condensed Combined Statement of Operations for the year ended December 31, 2023 were calculated using the number of shares of our common stock outstanding at such dates and the issuance of additional shares in connection with the Merger assuming the shares were outstanding since January 1, 2023.

The number of shares issued in connection with the Merger is an estimate based on the following:

- i. We will raise gross proceeds of \$20,000,000 in this offering at an assumed price of \$10.00 per Unit;
- ii. The stock consideration to be issued to Atlantic in the amount of \$43,000,000 is valued at \$10.00 per share;
- iii. The stock consideration to be retained by (380,648 shares) or escrowed in lieu of the stock dividend to our pre-Merger stockholders (819,352 shares) in the amount of \$12,000,000 is valued at \$10.00 per share; and
- iv. The stock consideration to be issued to IDC in the amount of \$55,000,000 is valued at \$10.00 per share.

It is estimated that 13,000,000 shares of our common stock will be outstanding upon consummation of the Merger and Units sold under this Offering.

This estimate is presented for informational purposes only and is subject to change based on the final terms of the Merger and this offering and does not take into consideration any shares issued as part of any employee equity incentive plan.

**EQUIVALENT AND COMPARATIVE PER SHARE INFORMATION**

The following table sets forth certain historical and pro forma per share financial information for our common stock. The pro forma per share information gives effect to the Merger as if the Merger had occurred on January 1, 2023. The information in the table below has been derived from and should be read in conjunction with the historical consolidated financial statements of Lyneer included elsewhere in this prospectus.

The pro forma earnings per share was calculated using the methodology described under the heading “Unaudited Pro Forma Condensed Combined Financial Statements” included in this prospectus, and is subject to all the assumptions, adjustments and limitations described thereunder. The pro forma information set forth below, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the possible impact on the combined company that may result as a consequence of the Merger and, accordingly, does not attempt to predict or suggest future results.

	<b>SeqLL Historical</b>	<b>Lyneer Historical</b>	<b>Pro Forma (unaudited)</b>
Net loss per share for the year ended December 31, 2023			
Basic and diluted	\$ (15.03)	\$ —	\$ (2.84)
Book value per share as of December 31, 2023 <sup>(1)</sup>	\$ 1.60	\$ —	\$ 1.13

(1) Calculated as total stockholders' equity (deficit) divided by total common stock outstanding.

## BUSINESS

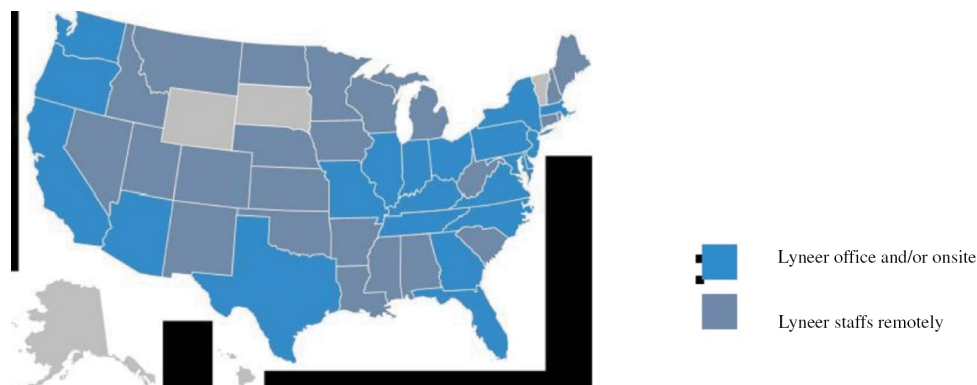
*In connection with the consummation of the Merger, we will divest our current business operations pursuant to the terms of the Asset Purchase Agreement and will effect a dividend to our pre-Merger stockholders all of our cash and cash equivalents (other than the net proceeds of this offering), less amounts retained for taxes and certain other obligations. In connection with the consummation of the Merger, we will also acquire Lyneer and its business operations, which will become the principal business operations of our company after this offering. The following is a summary of our business operations following the Merger and the closing of this offering. As we will not be engaged in our current, pre-Merger business operations following the closing of this offering, no information has been provided below with respect thereto.*

### General

Lyneer, through its operating subsidiaries, primarily Lyneer Staffing Solutions, is a national strategic staffing firm servicing the commercial, professional, finance, direct placement, and managed service provider verticals. The firm was formed under the principles of honesty and integrity, and with the view of becoming the preferred outside employer of choice. Since its formation in Lyneer has grown from a regional operation to a national staffing firm with offices and geographic reach across the United States.

Lyneer's management believes, based on their knowledge of the industry, that Lyneer is one of the prominent and leading staffing firms in the ever-evolving staffing industry. Lyneer, headquartered in Lawrenceville, New Jersey, has over 100 total locations and approximately 300 internal employees. Its management also believes that Lyneer is an industry leader in permanent, temporary and temp-to-perm placement services in a wide variety of areas, including, but not limited to, accounting & finance, administrative & clerical, hospitality, IT, legal, light industrial and medical fields. Its deep expertise and extensive experience have helped world class companies revolutionize their operations, resulting in greater efficiency and streamlined processes. Its comprehensive suite of solutions covers all aspects of workforce management, from recruitment and hiring to time and attendance tracking, scheduling, performance management, and predictive analytics. Lyneer takes a personalized approach to each client, working closely with them to understand their unique needs and develop a tailored roadmap for success. In addition, Lyneer offers a comprehensive range of recruiting services, including temporary and permanent staffing, within the light industrial, administrative, and financial sectors. Its services are designed to meet each client's needs, including payroll services and vendor management services/managed service provider solutions. Its extensive network of offices and onsite operations provide local support for its clients, while its national presence gives Lyneer the resources to tackle even the most complex staffing needs. With a focus on integrity, transparency and customer service and a commitment to results over a 25-year period, management believes Lyneer has earned a reputation as one of the premier workforce solutions partners in the United States.

**National Presence  
Nation-wide Support**



**Lyneer By the Numbers:**

<b>Employees Annually</b>	<b>Clients</b>	<b>Experience</b>
60,000+	1,200+ (and growing)	25+ years of industry experience

At Lyneer, management understands that finding the perfect candidate starts before the job requisition even comes in. Lyneer employs the strategy of proactive recruitment to build a pipeline of pre-vetted candidates for order fulfilment. Lyneer's client mix consists of both small- and medium-size businesses, and large national and multinational client relationships. Client relationships with small- and medium-size businesses are based on a local or regional relationship, and tend to rely less on longer-term contracts, and the competitors for this business are primarily locally-owned businesses. Comprising over 60% of Lyneer's revenue base, the large national and multinational clients, on the other hand, will frequently enter into non-exclusive arrangements with several firms, with the ultimate choice among them being left to local managers. As a result, employment services firms with a large network of offices compete most effectively for this business, which generally has agreed-upon pricing or mark-up on services performed.

Lyneer is a privately-held corporation and its securities do not trade on any marketplace. Lyneer Staffing Solutions, LLC is a wholly-owned subsidiary of Lyneer Holdings, Inc., which, in turn, is a wholly-owned subsidiary of Lyneer.

See "*Management's Discussion and Analysis of Financial Condition and Results of Operations of Lyneer*" for important business and financial information regarding Lyneer.

**Lyneer Service Offerings**

Lyneer's client contracts can be highly customized and generally provide for hiring, administration and benefit services. The contracts are typically for a term of one to two years and are automatically renewable, subject to termination in accordance with their respective terms. The contracts also typically provide the candidate attributes necessary for a successful candidate. Lyneer's client contracts generally include standard payment terms that are acceptable in each of the states and cities in which Lyneer operates. The payment terms vary by the type and location of Lyneer's clients and the services offered. While all customers are invoiced weekly and payment terms vary, the majority of Lyneer's customers have payment terms of 30 days or less. Customers are assessed for credit worthiness at the commencement of an engagement through a credit review, which is considered in establishing credit terms for individual customers. Revenues that have been recognized but not invoiced for temporary staffing customers are included in "unbilled accounts receivable" on Lyneer's consolidated balance sheets and represent a contract asset under ASC 606. Terms of collection vary based on the customer; however payment generally is due within 30 days.

**Temporary Placement**

This model offers staffing services in its most basic form while providing Lyneer's clients with the in-depth knowledge Lyneer brings to the process and its deep breath of candidates. These engagements are usually definitive in time and generally do not exceed a year in engagement.

Lyneer invoices its clients for temporary placement services concurrently with each periodic payroll that coincides with the services provided. Most engagement professionals placed on assignment by Lyneer are actually Lyneer's employees while they are working on assignments. Lyneer pays all related costs of employment, including workers' compensation insurance, state and federal unemployment taxes, social security, and certain fringe benefits that are part of the costs model billed to the clients.

**Direct Hire & Permanent Placement**

Direct hire and permanent placement services are traditional workplace placement services through which Lyneer seeks qualified candidates to help a client grow its permanent staff. Permanent placement contracts with customers are primarily recognized when employment candidates accept offers of permanent employment and begin work for Lyneer's customers. Certain of Lyneer's permanent placement contracts contain a 30-day guarantee period in which the client can "test drive" the candidate in order to insure a "good fit." In the event a candidate voluntarily leaves or is terminated for cause prior to the completion of 30 days of employment, Lyneer will provide a replacement candidate at no additional cost, as long as the placement fee is paid within 30 days of the candidate's

start date. Fees to clients are generally calculated as a percentage of the new employee's annual compensation. No fees for permanent placement talent solutions services are charged to employment candidates, regardless of whether the candidate is placed.

### **Vendor Management Services and Managed Service Provider Support**

Lyneer's managed service programs have a track record of success supporting large-scale vendor management services programs.

Lyneer's managed services programs combine advanced technology, deep functional and sector expertise, and operational excellence for knowledge-intensive processes across the client's enterprise. Lyneer offers the services in various packages — with predictable costs, any-shore delivery, and the option to flex up or down to meet fast-changing needs.

### **Verticals That Lyneer Services**

Lyneer's team represents a broad range of skilled professional candidates that Lyneer can call upon to fill the needs of its clients. Lyneer's recruiters use their years of experience, instinct and industry expertise to make sure the correct candidate is selected for the right position. Lyneer acts as a trusted consultant assisting with recruiting, screening and placing candidates and then monitoring their progress and the client's satisfaction to ensure that the candidates perform at the highest level. In particular, Lyneer's expertise extends in the following verticals:

**Accounting & Finance:** Accountants, controllers, accounts receivables, accounts payables, accounting clerks, audit

**Customer Service:** Call centers, customer service representatives, retail, marketing, product development

**Hospitality:** Room attendants, bartenders, housekeepers, front end services, food attendants, service

**Professional & Medical:** Legal professionals, attorneys, paralegals, lab technicians, phlebotomists

**Light Industrial:** Warehouse, pick/pack, distribution, manufacturing, packaging, retail setup, retail support services, mail sort and distribution

With an expansive database that is revitalized by its clients daily, Lyneer effectively evaluates its candidates' skills to make the right match for the client and the candidate. Lyneer acts as a consultant; Lyneer's experienced recruiters provide resume editing, career counselling and interview preparation to make a candidate stand out.

Lyneer knows its clients' needs and its candidates' capabilities and therefore attempts to find solutions that work.

### **Lyneer's Competitive Advantages**

Lyneer's management believes that Lyneer has the following competitive advantages (see "Atlantic Business Model and Acquisitions Strategy"):

- **Industry Leading Management** — Assembled management expertise across all company disciplines and offerings consisting of established industry leaders, as well as business founders.
- **Integrated Services** — An integrated business model allows our business systems enables a holistic view of our client, its data, and the organizational health. It creates a better customer experience and improves internal workflow.
- **Category Experience** — Accounting & finance, administrative & clerical, hospitality, IT, legal, light industrial and medical fields.
- **Results Driven** — Each of Lyneer's staffing experts is specially trained to unite the right talent with the right position creating a mutually beneficial relationship between client and employee.



- **One Stop Comprehensive Outsourced Services and Workforce Solution Support Model** — Lyneer’s extensive network of offices and onsite operations provide local support for its clients, while its national presence gives us the resources to tackle even the most complex staffing needs.
- **Client Base** — Blue-chip clients with long-term relationships with Lyneer.

### **Market Conditions and Opportunity**

Start-up costs for an outsourced services and workforce solutions company are very low. Individual offices can be profitable, but consolidation is driven mainly by the opportunity for large agencies to develop national relationships with big customers. Some agencies expand by starting new offices in promising markets, but most prefer to buy existing independent offices with proven staff and an existing customer roster.

Temporary workers have become such a large part of the workforce that staffing company employees often work at the customer’s site to recruit, train, and manage temporary employees. Lyneer has a number of onsite relationships with its customers. Staffing companies try to match the best qualified employees for the customer’s needs, but often provide additional training specific to that company, such as instruction in the use of proprietary software.

Some personnel consulting firms and human resource departments are increasingly using psychological tests to evaluate potential job candidates. Psychological or liability testing has gained popularity, in part, due to recent fraud scandals. In addition to stiffer background checks, headhunters often check the credit history of prospective employees.

Lyneer’s management believes the trends of outsourcing entire departments and dependence on temporary and leased workers will expand opportunities for outsourced services companies. Taking advantage of their expertise in assessing worker capabilities, some companies manage their clients’ entire human resource functions. Human resources outsourcing may include management of payroll, tax filings, and benefit administration services. Human resources outsourcing may also include recruitment process outsourcing, whereby an agency manages all recruitment activities for a client.

New online technology is improving staffing efficiency. For example, some online applications coordinate workflow for staffing agencies, their clients and temporary workers, and allow agencies and customers to share work order requests, submit and track candidates, approve timesheets and expenses, and run reports. Interaction between candidates and potential employers is increasingly being handled online.

Initially viewed as rivals, some Internet job-search companies and traditional employment agencies are now collaborating. While some Internet sites do not allow agencies to use their services to post jobs or look through resumes, others find that agencies are their biggest customers, earning the sites a large percentage of their revenue. Some staffing companies contract to help client employers find workers online. Additionally, data supports the growing need for services in the key verticals Lyneer has identified:

- The U.S. Bureau of Labor Statistics anticipates approximately 6% growth yearly and about 9,600 open positions annually through 2031 as is the demand for licensed and vocational nurses.
- The Association of American Medical Colleges estimates that the country’s rapidly-increasing demand for physicians over the next 15 years will outpace its supply, leading to a shortage of between 37,800 and 124,000 physicians by 2034, according to the report, *The Complexities of Physician Supply and Demand: Projections from 2019-2034*. That shortage includes shortfalls of 17,800 to 48,000 primary care physicians and 21,000 to 77,100 specialists.
- According to the Massachusetts Medical Society, there are renewing concerns about the stability of the state’s health care workforce. More than half of the almost 600 doctors surveyed said they had already cut back on time with patients — or were likely to do so. Other jurisdictions face similar dilemmas.
- In a 2021 report by Thomson Reuters, the use of Alternative Legal Service Providers (ALSPs) in the United States showed a high market penetration with E-Discovery being the dominant service sought by law firms. According to the report, the alternative legal service providers market is currently valued at \$14 billion.

- According to a 2022 survey from Deloitte, 82.4% of hiring managers for accounting and financial roles at public companies admit to struggling with talent retention, and 68.9% of hiring managers at private companies say the same, thus creating a need to work hard to attract and retain top talent.

### **Scalable Model to Fit Business Needs**

Lyneer's services can be scaled up or down to meet the needs of medium and large clients or clients with disparate locations.

**Staffing & Recruitment:** A consistent team effort to support the forecasts of Lyneer's clients and meet their staffing needs.

**Program Management:** Lyneer manages its program with individual clients to meet the client's business needs and manages and maintains such a detailed program on an ongoing basis with the client and closely monitored by staff throughout the entirety of the business relationship.

**Data Management:** Lyneer implements custom database solutions for each client, which helps it track usage throughout the entirety of the business platform and other critical variables.

**Continuous Improvement:** Lyneer maintains consistent lanes of open communication with clients and stakeholders. Lyneer's continual maintenance of client relationships allows Lyneer to better understand the needs of its client partners and also increases workplace productivity.

**Technology Leveraging:** Lyneer utilizes the latest technology to leverage its services, including artificial intelligence ("AI"), which is providing companies with an efficient way to reduce the time they spend on the recruitment process while still ensuring that they hire quality candidates. AI and other technologies help reduce recruitment times by leveraging automation for certain aspects of the job search process.

### **Customers**

Lyneer has one client that represented approximately 16% and 18% of Lyneer's 2023 and 2022 revenues, respectively. The client's contract with Lyneer consists of a master service agreement ("MSA") for temporary employee services with various customer locations entering into separate service annexes. None of these locations has exceeded 5% of the revenue associated with the client. The current term of the MSA expires in January 2025 and automatically renews for one-year subsequent terms. However, the client may terminate the agreement for convenience at any time, subject to any accrued payment obligations.

Lyneer's workforce solutions business is generally more active in the first and fourth quarters of a calendar year when certain professional services are in greater demand. Lyneer conducts business under various federal, state, and local government contracts, and no one such contract represented more than 5.0% percent of its total service revenues in 2023.

### **Competition**

Lyneer competes in the employment services industry by offering a broad range of services, including permanent, temporary and contract recruitment, project-based workforce solutions, assessment and selection, training, career and talent management, managed service solutions, outsourcing, consulting and professional services. Lyneer's industry is large and fragmented, comprised of tens of thousands of firms employing millions of people and generating billions of dollars in annual revenues. In most areas, no single company has a dominant share of the employment services market. The largest publicly owned companies specializing in recruitment services are The Adecco Group and Randstad. Lyneer also competes against a variety of regional or specialized companies such as Recruit Holdings, Allegis Group, Kelly Services, Manpower, Robert Half, Kforce, PageGroup, Korn/Ferry International and Alexander Mann. It is a highly competitive industry, reflecting several trends in the global marketplace such as the increasing demand for skilled people, employers' desire for more flexible working models and consolidation among clients and in the employment services industry itself.

## **Government Regulations**

Lyneer's operations are subject to regulations by various federal, state, local and independent governing bodies, including, but not limited to, (a) licensing and registration requirements and (b) regulation of the employer/employee relationship, such as worker classification regulations (e.g., exempt/non-exempt classifications), wage and hour regulations, tax withholding and reporting, immigration regulations, social security and other retirement, anti-discrimination, and employee benefits and workers' compensation regulations. Lyneer's operations could be impacted by legislative changes by these bodies, particularly with respect to provisions relating to payroll and benefits, tax and accounting, employment, worker classification and data privacy. Due to the complex regulatory environment that Lyneer operates in, Lyneer remains focused on compliance with governmental and professional organizations' regulations. For more discussion of the potential impact that the regulatory environment could have on its financial results, refer to the "Risk Factors — Risks Related to Lyneer's Business" for further information.

## **Trademarks**

Lyneer maintains a number of registered trademarks, trade names and service marks in the United States. Lyneer believes that many of these marks and trade names, including Lyneer Staffing Solutions, Lyneer and Lyneer International have significant value and are materially important to its business. In addition, Lyneer maintains other intangible property rights.

## **Employees**

Lyneer had approximately 300 full-time internal staff as of April 12, 2023. In addition, Lyneer placed approximately 60,000 engagement professionals and workers (which includes full time engagement professionals) on assignments with clients during 2023. The substantial majority of engagement professionals placed on assignment by Lyneer are Lyneer's temporary employees while they are working on assignments. With respect to engagement professionals, Lyneer pays the related costs of employment, such as workers' compensation insurance, state and federal unemployment taxes, social security, and certain fringe benefits. None of Lyneer's employees is subject to a collective bargaining agreement or an employment agreement other than senior management or as required by applicable law. As described under "Executive Compensation — Employment and Consulting Agreements," certain executives and key employees have executed employment and consulting agreements with Lyneer.

## **Properties**

The principal offices of Lyneer are located at 133 Franklin Corner Road, Lawrenceville, New Jersey 08648; telephone number (609) 503-4400. Lyneer occupies approximately 1,825 square feet of office space under a three-year lease ending September 30, 2025 with an unaffiliated landlord. The monthly rental is \$3,650 increasing to \$3,870.

## **Legal Proceedings**

From time to time, Lyneer may be involved in various disputes and litigation matters that arise in the ordinary course of business. Lyneer is currently not a party to any material legal proceedings, except as follows.

### ***Michael Smith v. Infinity Staffing Solutions, LLC, et. al., Case No. BC692644***

On February 2, 2018, Michael Smith on his own behalf and on behalf of a putative class of allegedly similarly situated individuals, filed a complaint against various defendants in the Superior Court of California, Los Angeles County, that was subsequently amended to add Lyneer as a defendant on April 28, 2022. The complaint alleges wage and hour claims, and inaccurate wage statement claims on behalf of the class and plaintiff. The parties have agreed to a \$300,000 settlement which is pending court approval.

### ***Mirna Reyes and Teresa Alvarez v. Liquid Graphic, Inc., Case No. 30-2022-01251702-CU-OE-CXC***

Mirna Reyes and Teresa Alvarez, on their own behalf and on behalf of a putative class of allegedly similarly situated individuals, filed a complaint against Lyneer and its client in the Superior Court of California, Orange County. The complaint alleges that a putative class of current and former employees of Lyneer (via Lyneer's client) working in California since March 27, 2018 were paid in violation of the state's wage requirements, Lyneer failed

to provide required meal periods and rest periods, violation of the state's final paycheck requirements, failure to provide accurate wage statements, failure to provide required rest days, as well as unfair business practice claims. The matter was referred to mediation and the parties accepted the mediator's settlement proposal of \$750,000. \$100,000 of the settlement is to be paid by the client. The settlement is fully accrued on Lyneer's 2022 financial statements.

***Rosanna Vargas v. DHL Express (USA), Inc. et. al., Case No. L-4352-19***

On October 30, 2019, Rosanna Vargas filed a complaint in the Superior Court of New Jersey at Camden County against Lyneer and various defendants, including Lyneer's client, alleging severe personal injury sustained at work. The case is now closed as to all parties. As a result of the matter, Lyneer's client sought indemnification from Lyneer pursuant to an indemnification demand issued to Lyneer on June 10, 2022. Accordingly, Lyneer agreed to pay approximately \$1,030,000 over 36 months, beginning in July 2023, to settle the claim.

***Aguilar, et al v Lyneer Staffing Solutions, et al Docket No. MID-L-3595-21 (Middlesex County Superior Court NJ)***

On June 16, 2021, a complaint was filed in the Superior Court of New Jersey Law Division, Middlesex County. The complaint alleges a former minor employee (who obtained employment by providing false information) was injured on October 15, 2020 at the co-defendant's worksite. Mediation was unsuccessful, and the matter is listed for trial on April 22, 2024. Lyneer believes it has issues for appeal, but believes it is probable to receive an unfavorable outcome and has accrued \$875,000 with respect to this complaint, which is recognized in "accrued expenses and other current liabilities" on the accompanying consolidated balance sheets.

## INFORMATION ABOUT ATLANTIC

### Overview

Atlantic was formed in Delaware on October 6, 2022 as a special purpose vehicle to acquire control of a publicly-traded company, such as our company. On December 6, 2022, Atlantic signed a non-binding letter of intent with IDC to acquire 100% of the equity interests of IDC's operating subsidiary, Lyneer, through its parent entities in a reverse merger with a publicly-traded issuer. Atlantic has had no commercial operations other than raising funds in a private placement, organizational activities and negotiating with several entities for the acquisition of control of a publicly-traded issuer. On February 2, 2023, Atlantic entered into a letter of intent with our company to effect a reverse merger transaction involving Atlantic and Lyneer.

The management team of Atlantic, the biographies of whom are set forth herein under the headings "Management" and "Senior Management," has over 150 combined years of specific corporate management and investment banking experience. Atlantic's management has developed long-standing relationships in the institutional investment arena to raise capital for publicly-listed entities to expand and up-list to a national securities exchange. This has, in turn, created liquidity and higher valuations for these previous companies.

Upon completion of this offering, our corporate headquarters will be relocated to the offices currently occupied by Atlantic located at 270 Sylvan Avenue, Suite 2230, Englewood Cliffs, New Jersey 07632. Our main telephone number at that address will be (201) 899-4470, and our website address will be changed to [www.atlanticinternational.com](http://www.atlanticinternational.com).

### Business Model and Acquisition Strategy

Atlantic is a high-growth U.S.-based outsourced services and workforce solutions company with management who have a more than 25-year operating record. Based on their knowledge of the industry, Atlantic's management believes that through its mergers and acquisitions strategy, Atlantic expects to build a global staffing organization that redefines the way companies grow professional teams. Its mission is to leverage new technologies and business partnerships to create streamlined hiring processes that resolve the challenges of modern day employment economics. Accordingly, Atlantic is actively engaged in discussions and negotiations with multiple acquisition targets that complement Atlantic's core business strategy. In addition, Atlantic's strategic direction will be enhanced by a program that will extend Lyneer's breadth of services to its broad national reach in a number of complementary areas. Atlantic has identified and is focusing on a number of high-demand fields, in particular, the medical, legal and financial services fields. Atlantic is in the process of investigating a number of opportunities for acquisitions of staffing companies that operate in these identified sectors.

Atlantic's corporate acquisition strategy is premised on the seamless consolidation and integration of technology and back-office infrastructure, coupled with performance improvements and value creation. Its core thesis is designed to assist its client companies in the transformation of stagnation into growth to achieve sustainable results through their most important asset: people. Atlantic's goal is to create a business designed to deliver to its clients targeted industry talent at speed and scale while also growing the pool of in-demand talent for this same constituency. Atlantic's recruiters will provide specific and data-driven guidance, development, training, and access to jobs. It believes this approach is particularly applicable in several growth sectors, including legal and financial services, technology, and healthcare. The current climate of industry fragmentation and overall economic uncertainty create a moment that Atlantic believes is ripe for strategic consolidation. After the closing of the Merger, Atlantic intends for us to aggressively engage in this "M&A" strategy and to take advantage of the synergies and opportunities created by this congruence of events. By advantageously augmenting Lyneer's existing significant capabilities through acquisition, Atlantic believes Lyneer will create material margin improvement.

Atlantic currently has a robust pipeline of potential acquisition targets and is in negotiations and discussions with outsourced services and workforce solutions acquisition targets in key service verticals. Management of Atlantic believes that multiple targets in the \$100,000,000 revenue range are readily available for acquisition within a short period of time.

The first vertical on which Atlantic intends for us to focus represents national medical professional staffing companies. Growing at an estimated compound annual growth rate (CAGR) of over 6.9% according to a 2023 report of GlobalNewswire, this vertical addresses a national problem of chronic understaffing, coupled with a large

and growing geriatric population, amplified by the extraordinary demands created by the impact of the COVID-19 pandemic. As such, Atlantic intends for us to acquire a temporary and permanent placement services company for healthcare professionals with a wide range of staffing services that includes temporary, temp-to-perm, and direct hire placements with an extensive network of qualified candidates including nurses, allied healthcare professionals, corporate support professionals and executives. Atlantic anticipates that the target will deliver a wide set of nurse staffing solutions to meet the dynamic nature of today's medical provider's needs coupled with offering a wide range of consultative and professional support services.

While actively pursuing the medical professional staffing vertical, Atlantic also is committed to identifying for us acquisition targets in the financial services sector. Atlantic expects that we will consolidate any such firm's accountants with Lynceer's current stable of professionals through the acquisition of a firm with a comprehensive range of accounting, consulting, business management, and tax services to individuals and businesses in the U.S. Atlantic intends that we will broaden our range of services serving clients at every level: from start-ups to owner-managed companies and well-established corporations.

Moreover, Atlantic has commenced implementation of a detailed acquisition strategy that it believes will rapidly accelerate our growth, thus increasing and maximizing shareholder value. Atlantic plans to pursue for us "cornerstone acquisitions" and is focusing on targets with robust profits, diverse client bases, large national/large regional coverage in contract/permanent staffing, executive search, recruitment process, and outsourcing. In order to meet its "cornerstone acquisition" criterion, a company is expected to have over \$50,000,000 in revenue and EBITDA margins of no less than 10%. In addition, Atlantic plans to pursue "tuck-in" acquisitions with a focus on acquiring high-margin niche staffing companies that can benefit from the synergies of a larger organization with increased penetration. Under its "tuck-in" program, Atlantic intends to acquire smaller profitable companies in business segments consistent with its larger anchor organizations.

Post-Merger, Atlantic plans to integrate companies and maximize synergies and economics to improve sales and lower operating costs, while, at the same time, continuing to focus and expand on its acquisition strategy of high-margin profitable outsourced services and workforce solution providers.

Atlantic currently is in discussions and negotiations with multiple prospects and any such acquisitions are subject to the completion of due diligence and the negotiation and execution of final agreements. These prospects are representative of the types of companies and verticals that Atlantic is actively pursuing and underscore the opportunity for Atlantic to expand its footprint in lucrative markets with great demand for professionals and skilled workforce. Atlantic believes that the need for these services in these markets is becoming acute. Atlantic also believes that it is well positioned to execute on its acquisition plan. Should the proposed acquisitions be consummated, Atlantic will greatly increase its capabilities in the prime financial services and thriving healthcare support services vertical.

Atlantic has a pipeline of workforce solutions firms with which it is in advanced discussions. While these discussions have not resulted in a definitive agreement, Atlantic believes it is well positioned to execute on one or more of these opportunities in the near future. Atlantic has not reached a definitive agreement with any potential acquisition target and, as such, Atlantic cannot assure you that it will consummate any particular acquisition.

**MANAGEMENT****Directors and Executive Officers**

The following table sets forth the name and position of each person who is expected to be an executive officer or director of our company upon the consummation of the Merger and this offering.

<b>Name</b>	<b>Age</b>	<b>Position</b>
Prateek Gattani	45	Chairman of the Board
Robert B. Machinist	71	Vice Chairman of the Board
Jeffrey Jagid	55	Chief Executive Officer and Director
Christopher Broderick	63	Chief Operating Officer and Acting Chief Financial Officer
Michael Tenore	49	General Counsel and Secretary
Jeff Kurtz	55	Director
David Solimine	44	Director
David Pfeffer	63	Director

**Prateek Gattani** will be elected to serve as our Chairman of the Board upon the completion of the Merger and has been Chief Executive Officer of IDC since 2007. Mr. Gattani acquired IDC in 2007, which, in turn, acquired Lyneer in August 2021. Prior to 2007, Mr. Gattani was a resource manager at e-Solutions Incorporated. IDC, founded in India in 2003, is a major information technology company. IDC currently provides business process outsourcing, IT consulting, revenue sources and software as a service (SaaS). According to *Forbes India (August 2022)*, IDC ranks in the 95<sup>th</sup> percentile market share and had three-year growth of 488% from 2020 to 2022. IDC is headquartered in Milpitas, California and has offices throughout the world. IDC is a multinational technology company that provides the highest level of knowledge and experience to assist its customers to redesign and recreate their ventures in order to stay in the competition in the changing business environment. IDC's ability to know the business and personal environment of its clients helps them to provide tailored services according to the areas of operation, in the fields of innovation, as well as in culture. We believe Mr. Gattani's business and financial experience in the staffing business, and his vision for future operations, gives him the qualifications and skills to lead us following the Merger as Chairman of the Board.

**Robert B. Machinist** will be elected to serve as our Vice Chairman of the Board upon the completion of the Merger. He has served as Chairman of the Board of Atlantic since its formation in October 2022. He previously served as Chief Executive Officer and Chairman of the Board of Troika Media Group (Nasdaq: TRKA) from March 2018 until May 2022. Mr. Machinist has extensive experience both as a principal investor/operator in a broad range of businesses as well as an owner-operator of diversified investment banking operations. He has been the Vice Chairman of Pyrolyx A.G. (S26.DU), the first environmentally-friendly and sustainable method of recovering high-grade carbon black from end-of-life-tires. Most recently, he has been Chairman and an original founding Board member of CIFC Corp. (Nasdaq: CIFC), a publicly-listed credit manager with over \$14.0 billion of assets under management, which was sold in December 2016. In addition, he has been Chairman, Board of Advisors of MESA, a merchant bank specializing in media and entertainment industry transactions, which was sold to Houlihan Lokey in 2016. He has also been a partner of Columbus Nova, a leading private investment fund. He runs a private family investment company, the activities of which include The Collectors Car Garage and a number of real estate development businesses.

Mr. Machinist previously served as managing director and head of investment banking for the Bank of New York and its Capital Markets division. Mr. Machinist was also previously president and one of the principal founders of Patricof & Co. Capital Corp. (APAX Purchasers) and its successor companies.

He is currently Vice-Chairman of the Maimonides Medical Center, serves on its Board of Directors, is Chairman of its Investment Committee and a member of its various other Board of Overseers for the Albert Einstein College of Medicine. Most recently, he has been Chairman of the American Committee for the Weizmann Institute of Science as well as a member of its Board of Directors and presently serves on its International Board of Governors

and its Executive Committee. He has been a trustee and Vice Chairman of Vassar College, a member of its Executive Committee, and one of three trustees responsible for managing the College's Endowment. He is currently a board member of ECD Autodesign (Nasdaq: ECDA).

Mr. Machinist earned a Bachelor of Arts in Philosophy and Chemistry from Vassar College in Poughkeepsie, New York. He undertook graduate work in biochemistry at the Weizmann Institute of Science in Rehovot, Israel. We believe Mr. Machinist's broad entrepreneurial, financial and business expertise and his experience with growth companies give him significant qualifications and skills to serve as Vice Chairman of our board of directors following the Merger.

**Jeffrey Jagid** will be elected to serve as our Chief Executive Officer and a Director upon completion of the Merger. He has served as CEO of Atlantic since February 1, 2023. He is a results-producing business executive with a strong track record of optimizing revenue and profitability within a global organization. He has demonstrated success building and leading businesses at all stages of growth.

Prior to joining Atlantic, Mr. Jagid was a director of ThinkEco Inc. since 2014 and became that company's Chairman and Chief Executive Officer in 2017. Prior to joining ThinkEco, Mr. Jagid held various management positions at I.D. Systems, Inc. (Nasdaq: IDSY), including Chief Executive Officer and Chairman of the Board of Directors. Under Mr. Jagid's leadership, I.D. Systems was named by Deloitte as one of North America's fastest growing technology companies in 2005, 2006 and 2012. During his tenure at I.D. Systems, Mr. Jagid was named as a finalist for the Deloitte Entrepreneur of the Year award. Under Mr. Jagid's leadership, I.D. Systems became a leading global provider of wireless IoT based technology solutions for securing, managing, and tracking high-value enterprise assets. He has been awarded 14 patents in wireless communications, mobile data, asset tracking, and connected car technology. Among his other achievements, he led that company's initial public offering, as well as several other capital raises totaling nearly \$100,000,000.

From 2001 to June 2014, Mr. Jagid also served on the board of directors of Coining Technologies, Inc., a privately-held company in the coining, forming, drawing, and piercing of specialty metals, mass-producing close-tolerance complex parts quickly and cost-effectively.

Mr. Jagid received a Bachelor of Business Administration from Emory University in 1991 and a Juris Doctor degree from the Benjamin N. Cardozo School of Law in 1994. He is member of the Bar of the States of New York and New Jersey.

**Christopher Broderick** will be elected to serve as our Chief Operating Officer and Acting Chief Financial Officer upon the completion of the Merger. He has served as Chief Operating Officer and Chief Financial Officer of Atlantic since February 1, 2023. From July 2017 until June 8, 2022, he served as Chief Operating Officer of Troika Media Group ("Troika"). On December 7, 2023, Troika and certain of its subsidiaries filed voluntary petitions under Chapter 11 of the United States Code in the U.S. Bankruptcy Court for the Southern District of New York. From March 27, 2015 until October 2016, he was Chief Operating Officer and Interim Chief Financial Officer. Prior thereto, he had served as Chief Operating Officer of Signal Point Holdings Corp. (SPHC) from October 17, 2012. Mr. Broderick has 30 years of experience in the telecommunications industry and was responsible for that company's domestic network operations of wired and wireless topologies, supporting voice, data, internet products and services. He was also the operational leader for the development and build-out of SPHC's continued network expansion. Prior to joining SPHC, Mr. Broderick served as Senior Director of Business Client Services for FairPoint Communications from 2008 to 2011. Mr. Broderick was responsible for Retail Business segment, outside sales support, billing, and SMB sales across Northern New England. Previously, Mr. Broderick served as Chief Operating Officer and Vice President of Operations at IntelliSpace and Wave2Wave from February 2000 to January 2008. Mr. Broderick was responsible for the design, implementation and day-to-day U.S. and U.K. operations of that company.

Mr. Broderick spent the majority of his career at New York Telephone, NYNEX, and Bell Atlantic where he was highly successful in the management of all facets of the telephone company's Field Operations, Central Offices and outside plant facilities in New York City business districts. He also led sales and support "mega" call-center operations, for complex business accounts. In addition to his technical background, Mr. Broderick has an extensive education in quality process management, systems efficiency and design. He has utilized his extensive background to help build SPHC into one of the most reliable "Converged Networks" in the USA. Atlantic determined that Mr. Broderick's 30 years of particular knowledge and experience in the telecommunications industry, and his position with SPHC, strengthens the Board's collective qualifications, skills and experience.



**Michael Tenore** will be elected to serve as our General Counsel and Secretary upon the completion of the Merger. He has served as General Counsel of Atlantic since March 2023. He was first appointed General Counsel, and Vice President of Regulatory Affairs for Troika in March 2015. In July 2017, Mr. Tenore was elected Corporate Secretary. He served in those positions until March 31, 2023. On December 7, 2023, Troika and certain of its subsidiaries filed voluntary petitions under Chapter 11 of the United States Code in the U.S. Bankruptcy Court for the Southern District of New York. Prior to joining Troika in March 2015 upon the merger with Signal Point Holdings Corp., he held various legal and regulatory positions, including General Counsel, at RNK, Inc. a regional telecommunications carrier. Mr. Tenore is a member of the adjunct staff of Suffolk University Law School and belongs to the Federal Communications Bar Association and the Association of Corporate Counsel. Mr. Tenore received his B.A. in Communications from Emerson College and his J.D. from Suffolk University Law School both degrees with Latin Honors. Mr. Tenore has been on the board of directors for youth hockey and charitable organizations for the past 10 years.

**Jeff Kurtz** will be elected to our board of directors upon the completion of the Merger. Since 1991, he has been the President of The Kamson Corporation, which currently owns and operates over 100 investment properties in the Northeast. Currently, he oversees extensive rehabilitation projects among over 100 projects and is presently involved in several building projects consisting of multifamily apartments, hi-rise buildings, and mixed-use properties which have retail and apartment components. In the past, Mr. Kurtz has built multifamily units for sale along with other building projects. Mr. Kurtz personally owns or is a general partner and/or manages, through the Kamson Corporation, a New Jersey corporation, 14,000+ apartments, in addition to office buildings and shopping centers. A graduate of the University of Miami, Mr. Kurtz is a member of the 1987 National Championship Football Team at the University of Miami. He continues as an active member of the university alumni. For the past 20 years, Mr. Kurtz has been on the Board of the Hope & Heroes Children's Cancer Fund golf event and chairs this outing each year.

We believe Mr. Kurtz's broad entrepreneurial, financial and business expertise and his experience give him the qualifications and skills to serve as a director of our company following the Merger.

**David Solimine** will be elected to our board of directors upon the completion of the Merger. Mr. Solimine is the President & Chief Executive Officer of Kore Insurance Holdings, LLC., a privately-owned high-volume insurance agency established in 2012 with offices in New Jersey and Florida. He plays an integral part in providing a competitive insurance product with the utmost level of professional service to meet client satisfaction in all aspects. Prior thereto, from 2001-2008, Mr. Solimine was a principal, as well as the President of Sales and Marketing for EMAR Group, Inc., when it was acquired by Wells Fargo Insurance Services. Thereafter, while at Wells Fargo, he remained the largest Insurance Sales Producer on the East Coast for many consecutive years. He also served as Head of Marketing for Princeton Securities from 1999-2001. Mr. Solimine holds a Bachelor of Science in Business/Economics from Brown University. He is Property and Casualty Insurance Licensed throughout the United States.

We believe Mr. Solimine's extensive business and financial experience in the insurance industry, in particular dealing with employment related issues, makes him qualified to serve on our board of directors following the Merger.

**David Pfeffer** has served as a member of our board of directors since September 2018 and is currently our Audit Committee Chairman. He will retain these positions upon the completion of the Merger. Mr. Pfeffer has over 30 years of experience in diverse roles in financial services; leading companies, developing and executing strategy, building businesses up from the ground floor and driving innovation to grow in today's ultra-competitive and dynamic global economy. Mr. Pfeffer is currently CEO of Brick Citi Capital, LLC, an investment services and business advisory firm founded in 2019. Previously, he was Executive Vice President and Chief Financial Officer of Oppenheimer Funds, a global asset manager, from 2004 to 2019. He was a Management Director on the Oppenheimer Funds, Inc. board and President of Oppenheimer Funds Harbourview Asset Management. From 2009 to 2019, Mr. Pfeffer served as an Independent Director at ICI Mutual Insurance Co., including a role as Audit Committee Chairman. From 2000 to 2004, Mr. Pfeffer worked as Institutional Chief Financial Officer and Director at Citigroup Asset Management. Mr. Pfeffer was at J.P. Morgan from 1984 to 2000, where he gained significant international experience serving as Chief Financial Officer and Director of JPM Brazil for five years in São Paulo and supported JPM's international businesses during his 16 year tenure there. Mr. Pfeffer worked as a public accountant at Ernst & Whinney from 1981 to 1984. Mr. Pfeffer is a Certified Public Accountant, a Chartered Global Management Accountant and has his FINRA Series 99 Operations Professional license. He graduated Cum Laude from the University of Delaware with a B.S. in Accounting.

We believe Mr. Pfeffer’s experience in corporate governance and capital markets qualifies him to continue to serve on our board of directors following the Merger.

### Senior Management

Name	Age	Position
Todd McNulty	55	Chief Executive Officer of Lyneer Staffing Solutions LLC
James Radvany	63	Chief Financial Officer of Lyneer Staffing Solutions LLC

**Todd McNulty** has served and will continue to serve as Chief Executive Officer of Lyneer Staffing Solutions LLC. Mr. McNulty studied Business Administration and Marketing at York College of Pennsylvania. After college in 1990, Mr. McNulty started his career as a Marketing Representative for the Players Club International at Resorts Casino in Atlantic City. In August 1992, Mr. McNulty relocated back home to Central NJ and began a 30-year staffing career. Mr. McNulty worked for Staffing Alternatives, a New Jersey four office family-owned boutique company, focusing on clerical and light industrial staffing. He led sales from 1992 to September 1997, achieving a record \$5,000,000 in new sales his first year. In October 1997, Mr. McNulty joined Jim Radvany with a plan and a mission to become the Delaware Valley’s leading staffing company. He opened multiple offices and achieved robust growth and profitability within months of office openings. Throughout the years, Mr. McNulty assumed the role of Chief Executive Officer with responsibility for its current day-to-day operations and working closely with Lyneer’s Business Development Team in building brand strength and growth throughout the country.

**James Radvany** has served and will continue to serve as Chief Finance Officer of Lyneer Staffing Solutions. Mr. Radvany is a graduate of Susquehanna University. He started his career as a CPA with Coopers and Lybrand in Philadelphia in 1982 and was promoted to Manager in four years instead of the customary six-year period. Mr. Radvany joined Romac and Associates in 1986 as a Senior Recruiting Manager for accounting and finance professionals. He was consistently one of the top producers in Lyneer’s Northeast region throughout his seven-year tenure. Mr. Radvany founded his initial staffing company in 1993 and with the addition of Todd McNulty, led Lyneer Staffing Solutions to become one of the top staffing firms in the Delaware Valley in the 1990s. Lyneer Staffing Solutions started to expand outside of the Delaware Valley in the late 1990s and grew throughout the East Coast and into the Southeast and Midwest sectors of the country. With the addition of seven West Coast branches in early 2015, Lyneer expanded into a true national staffing company. In his role as Chief Financial Officer of Lyneer, Mr. Radvany handles all accounting, acquisitions, financing, legal and insurance issues for Lyneer. He also works with Mr. McNulty in running Lyneer’s day-to-day operations. He has successfully negotiated a \$55,000,000 asset-based loan, integrated some smaller acquisitions, set up a very cost-effective workers compensation insurance program and oversees a 12-person accounting and legal department.

### Family Relationships between Directors

Directors are elected until their successors are duly elected and qualified. No family relationship exists between any of the directors and executive officers. There are no arrangements or understandings with major stockholders, customers, suppliers or others pursuant to which any person referred to above was selected as a director or member of senior management.

To our knowledge, none of the individuals who will serve as a director or executive officer of our company following the Merger has, during the past 10 years, been involved in any of the legal proceedings listed in Item 401(f) of Regulation S-K.

### Director Independence

The CBOE Exchange Rules require a majority of a listed company’s board of directors to be comprised of independent directors within one year of listing. In addition, the CBOE Exchange Rules require that, subject to specified exceptions, each member of a listed company’s audit, compensation and nominating and corporate governance committees be independent and that audit committee members also satisfy independence criteria set forth in Rule 10A-3 under the Exchange Act.

Under the CBOE Exchange Rules, a director will only qualify as an “independent director” if, in the opinion of the issuer’s board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In order to be considered independent for

purposes of Rule 10A-3 of the Exchange Act, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors, or any other board committee, accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the listed company or any of its subsidiaries or otherwise be an affiliated person of the listed company or any of its subsidiaries.

Our board of directors has reviewed the composition of the board of directors immediately following consummation of the Merger and its committees and the independence of each director. Based upon information requested from and provided by each director concerning his or her background, employment and affiliations, including family relationships, our board of directors has determined that each of Prateek Gattani, Jeff Kurtz, David Solimine and David Pfeffer will be an “independent director” as defined under CBOE Exchange Rules. Our board of directors also determined that the directors who will serve on our audit committee, our compensation committee and our nominating and corporate governance committee immediately following this offering satisfy the independence standards for such committees established by the SEC and the CBOE Exchange Rules, as applicable. In making such determinations, our board of directors considered the relationships that each such non-employee director has and will have with our company and all other facts and circumstances our board of directors deemed relevant in determining independence, including the beneficial ownership of our capital stock by each non-employee director.

### **Board Committees**

Our board of directors has established three standing committees — audit, compensation, and nominating and corporate governance — each of which operates under a charter approved by our board of directors. Copies of each committee’s charter will be posted on the Investor Relations section of our corporate website, which will be located at [www.atlantic-international.com](http://www.atlantic-international.com), immediately following the consummation of the Merger and this offering. Each committee will have the composition and responsibilities described below. Our board of directors may from time to time establish other committees.

#### *Audit Committee*

Immediately following consummation of the Merger, our audit committee will consist of David Pfeffer, who will be the chair of the committee, Jeff Kurtz and David Solimine. We have determined that each of our proposed members of the audit committee satisfies the CBOE Exchange Rules and SEC independence requirements. The functions of this committee include, among other things:

- evaluating the performance, independence and qualifications of our independent auditors and determining whether to retain our existing independent auditors or engage new independent auditors;
- reviewing and approving the engagement of our independent auditors to perform audit services and any permissible non-audit services;
- reviewing our annual and quarterly financial statements and reports, including the disclosures contained under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and discussing the statements and reports with our independent auditors and management;
- reviewing with our independent auditors and management significant issues that arise regarding accounting principles and financial statement presentation and matters concerning the scope, adequacy and effectiveness of our financial controls;
- reviewing our major financial risk exposures (including cybersecurity and regulatory compliance), including the guidelines and policies to govern the process by which risk assessment and risk management is implemented; and
- reviewing and evaluating on an annual basis the performance of the audit committee, including compliance of the audit committee with its charter.

Our board of directors has determined that David Pfeffer qualifies as an “audit committee financial expert” within the meaning of applicable SEC regulations and meets the financial sophistication requirements of the CBOE Exchange Rules. In making this determination, our board of directors has considered Mr. Pfeffer’s extensive financial experience and business background. Our independent registered public accounting firm and our management will meet privately periodically with our audit committee.

*Compensation Committee*

Immediately following consummation of the Merger, our compensation committee will consist of Jeff Kurtz, who will be the chair of the committee, and David Solimine. We have determined that each of our proposed members of our compensation committee satisfies the CBOE Exchange Rules independence requirements. The functions of this committee include, among other things:

- reviewing, modifying and approving (or if it deems appropriate, making recommendations to the full board of directors regarding) our overall compensation strategy and policies;
- reviewing and approving the compensation, the performance goals and objectives relevant to the compensation, and other terms of employment of our executive officers;
- reviewing and approving (or if it deems appropriate, making recommendations to the full board of directors regarding) the equity incentive plans, compensation plans and similar programs advisable for our company, as well as modifying, amending or terminating existing plans and programs;
- reviewing and approving the terms of any employment agreements, severance arrangements, change in control protections and any other compensatory arrangements for our executive officers;
- reviewing with management and approving our disclosures under the caption “Compensation Discussion and Analysis” in our periodic reports or proxy statements to be filed with the SEC; and
- preparing the report that the SEC requires in our annual proxy statement.

None of our proposed executive officers following the Merger currently serves, or in the past fiscal year has served, as a member of the board of directors or compensation committee of another entity that had one or more of its executive officers serving as a member of our board of directors or compensation committee. None of the proposed members of our compensation committee has at any time been one of our officers or employees or an officer or employee of Atlantic or Lyneer.

*Nominating and Corporate Governance Committee*

Immediately following consummation of the Merger, our nominating and corporate governance committee will consist of David Solimine, who is the chair of the committee, and Jeff Kurtz and Prateek Gattani. We have determined that each of the proposed members of this committee satisfies the CBOE Exchange Rules independence requirements. The functions of this committee include, among other things:

- identifying, reviewing and evaluating candidates to serve on our board of directors consistent with criteria approved by our board of directors;
- evaluating director performance on our board of directors and applicable committees of our board of directors and determining whether continued service on its board of directors is appropriate;
- evaluating, nominating and recommending individuals for membership on our board of directors; and
- evaluating nominations by stockholders of candidates for election to our board of directors.

**Code of Business Conduct and Ethics**

Our board of directors has adopted a written code of conduct that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A current copy of the code and all disclosures that are required by law or CBOE Exchange Rules concerning any amendments to, or waivers from, any provision of the code will be posted on our website upon consummation of the Merger, which will be located at [www.atlantic-international.com](http://www.atlantic-international.com).

**COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS**

**Summary Compensation Table**

The following table sets forth total compensation paid to our executive officers for the years ended December 31, 2023 and 2022.

Name and Principal Position	Year	Salary	Bonus	Option Awards <sup>(1)</sup>	Non-Equity Incentive Plan Compensation	Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
Daniel Jones	2023	\$260,673	\$ —	\$ —	—	—	—	\$ 260,673
Chief Executive Officer	2022	225,000	50,000 <sup>(4)</sup>	178,179	—	—	—	453,179
John W. Kennedy <sup>(3)</sup>	2023	—	—	—	—	—	—	—
Chief Financial Officer	2022	115,000	100,000	133,634	—	—	—	348,634
Frances Scally <sup>(5)</sup>	2023	145,000	—	—	—	—	—	145,000
	2022	78,250	—	—	—	—	—	78,250

- (1) The amounts reported in the “Option Awards” column reflect the aggregate fair value of stock-based compensation awarded during the year computed in accordance with the provisions of the Financial Accounting Standard Board Accounting Standards Codification Topic 718, or ASC 718. See Note 2 to SeqLL’s consolidated financial statements for the year ended December 31, 2022 available at [www.sec.gov](http://www.sec.gov) regarding assumptions underlying the valuation of equity awards. These amounts reflect the accounting cost for these stock options and do not reflect the actual economic value that may be realized by the executive officer upon the vesting of the stock options, the exercise of the stock options, or the sale of the common stock underlying such stock options.
- (2) Of this bonus, \$75,000 was deferred to, and paid in, 2022. Mr. Jones shall resign from his positions with our company upon the completion of the Merger.
- (3) Mr. Kennedy resigned his position as our Chief Financial Officer on August 9, 2022.
- (4) The \$50,000 bonus was paid in 2023.
- (5) Ms. Scally was appointed our Chief Financial Officer on August 8, 2022. Ms. Scally is a consultant to our company and all compensation for her services is paid to DLA, LLC, a financial consulting firm with which Ms. Scally is employed. Ms. Scally shall resign from her position with our company upon the completion of the Merger.

**Employment and Consulting Agreements After the Merger**

*Consulting Agreement with Robert Machinist*

Upon the closing of the Merger, Robert Machinist will enter into a consulting agreement with our company as Executive Vice Chairman of the Board. The agreement will be for a term of three years with an automatic renewal for an additional one year period unless terminated by either party upon 90 days written notice prior to the end of the consulting term. Upon the closing of the Merger, Mr. Machinist’s consulting fee will be \$300,000 per annum. Mr. Machinist also will be entitled to a true-up payment in an amount equal to the difference between his pro-rated annual consulting fee under his consulting agreement dated October 15, 2022 with Atlantic of \$180,000 and his annual consulting fee of \$300,000. Mr. Machinist will also receive a \$100,000 transaction bonus as a result of the completion of this offering. Following the closing of the Merger, Mr. Machinist will be eligible for discretionary annual bonuses as determined by the compensation committee of our board of directors.

If the consulting agreement is terminated for any reason other than for Cause (as defined) or if Mr. Machinist voluntarily terminates his consulting engagement for any reason, he will be entitled to full benefits and all previously-granted restricted stock, restricted stock units and warrants will immediately vest. He will be entitled to six months of severance payments of his base salary upon termination, other than for Cause. For Cause, he will be entitled to three months of severance paid in three equal monthly installments and three months of COBRA insurance, and all unvested restricted stock, restricted stock units and warrants then held by Mr. Machinist will be forfeited.

*Employment Agreement with Jeffrey Jagid*

Upon the closing of the Merger, Jeffrey Jagid will enter into an employment agreement with our company as Chief Executive Officer. The agreement will be for a term of three years with an additional one-year extension unless terminated by either party upon 90 days written notice prior to the end of the initial term. Mr. Jagid’s base salary will be \$500,000 per annum. Mr. Jagid also will be entitled to a true-up payment in an amount equal to the

pro-rated difference between his salary of \$120,000 per year under his employment contract dated February 1, 2023 with Atlantic and \$500,000 per annum. Mr. Jagid also will be eligible to receive an annual bonus in an amount equal to his base salary for every year commencing in 2023. The bonus will be predicated upon our recording a minimum of \$250,000,000 in revenues and adjusted EBITDA of \$5,000,000. Mr. Jagid will also be paid a \$200,000 transaction bonus as a result of the closing of the Merger and he will be paid additional transaction bonuses in the amount of \$100,000 for the closing of any subsequent acquisition that is valued in excess of \$8,000,000. He is also eligible for an annual discretionary bonus to be set by the compensation committee of our board of directors.

If we terminate the employment agreement for any reason other than Cause (as defined), all of Mr. Jagid's then-outstanding restricted stock, restricted stock units and warrants will immediately vest, and Mr. Jagid will be entitled to (i) 12 months of severance payments of his base salary, (ii) a prorated annual bonus if we are on pace to meet the above-stated performance milestones, (iii) the right to 12 months of COBRA insurance, and (iv) reasonable outplacement services for a period of up to 90 days from termination.

Upon death or disability, Mr. Jagid, or his estate, will receive all accrued compensation and any prorated bonus, and any equity that would have vested during the 24-month period beginning on the date of death or disability will immediately vest. If Mr. Jagid is terminated for Cause, or resigns without Good Reason (as defined), he will receive accrued compensation and any vested equity.

Upon a Change of Control (as defined), all of Mr. Jagid's non-vested equity will immediately vest in full, and he will be entitled to his full severance payments stated above if he chooses to terminate his employment with our company. Mr. Jagid will be subject to a one-year non-compete covenant from termination of his employment anywhere in the United States if termination is for Cause, and six months if termination is for any other reason. He will be subject to a two-year non-solicitation covenant from termination if he is terminated for Cause and 12 months if he is terminated for any other reason. He will also be covered under our directors and officers liability insurance for up to one year from termination of his employment.

#### *Employment Agreement with Christopher Broderick*

Upon the closing of the Merger, Christopher Broderick will enter into an employment agreement with our company as Chief Operating Officer and Acting Chief Financial Officer. The employment agreement will be for three years with an additional one-year extension unless terminated by either party upon 90 days' written notice prior to the end of the initial term. Mr. Broderick's base salary will be \$300,000 per annum. He will also be entitled to a true-up payment equal to the pro-rated difference between his salary of \$120,000 per year under his employment agreement dated February 1, 2023 with Atlantic and \$300,000 per annum. Mr. Broderick will be eligible to receive a yearly bonus equal to his annual base salary for every year commencing in 2023. The bonus will be predicated upon our recording a minimum of \$250,000,000 in revenues and adjusted EBITDA of \$5,000,000. Mr. Broderick will also be paid a \$150,000 transaction bonus as a result of the closing of the Merger and he will be paid additional transaction bonuses in the amount of \$75,000 for the closing of any subsequent acquisition that is valued in excess of \$8,000,000. He also will be eligible for an annual discretionary bonus to be set by the compensation committee of the board of directors.

If we terminate the employment agreement for any reason other than Cause (as defined), all of Mr. Broderick's then-outstanding restricted stock, restricted stock units and warrants will immediately vest, and Mr. Broderick will be entitled to (i) 12 months of severance payments of his base salary, (ii) a prorated annual bonus if we are on pace to meet the above-stated performance milestones, (iii) the right to 12 months of COBRA insurance, and (iv) reasonable outplacement services for a period of up to 90 days from termination.

Upon death or disability, Mr. Broderick, or his estate, will receive all accrued compensation and any prorated bonus, and any equity that would have vested during the 24-month period beginning on the date of death or disability will immediately vest. If Mr. Broderick is terminated for Cause, or resigns without Good Reason (as defined), he will receive accrued compensation and any vested equity.

Upon a Change of Control (as defined), all of Mr. Broderick's non-vested equity will immediately vest in full, and he will be entitled to his full severance payments stated above if he chooses to terminate his employment with our company. Mr. Broderick will be subject to a one-year non-compete covenant from termination of his employment anywhere in the United States if termination is for Cause, and six months if his termination is for

any other reason. He will be subject to a two-year non-solicitation covenant from termination if he is terminated for Cause and 12 months if he is terminated for any other reason. He will also be covered under our directors and officers liability insurance for up to one year from termination of employment.

*Employment Agreement with Michael Tenore*

Upon the closing of the Merger, Michael Tenore will enter into an employment agreement with our company as General Counsel and Secretary. The employment agreement will be for three years with an additional one-year extension unless terminated by either party upon 90 days written notice prior to the end of the initial term. Mr. Tenore's base salary will be \$300,000 per annum. He will also be entitled to a true-up payment equal to the pro-rated difference between his salary of \$120,000 per year under his employment agreement dated April 1, 2023 with Atlantic and \$300,000 per annum. Mr. Tenore will be entitled to receive an annual bonus of \$100,000 for every year commencing in 2023. The bonus is predicated upon our receiving a minimum of \$250,000,000 in revenues and adjusted EBITDA of \$5,000,000. Mr. Tenore will also be paid a \$75,000 transaction bonus as a result of the closing of the Merger and he will be paid additional transaction bonuses in the amount of \$75,000 for the closing of any subsequent acquisition that is valued in excess of \$8,000,000. He also will be eligible for an annual discretionary bonus to be set by the compensation committee of our board of directors.

If we terminate the employment agreement for any reason other than Cause (as defined), all of Mr. Tenore's then-outstanding restricted stock, restricted stock units and warrants will immediately vest, and Mr. Tenore will be entitled to (i) 12 months of severance payments of his base salary, (ii) a prorated annual bonus if we are on pace to meet the above-stated performance milestones, (iii) the right to 12 months of COBRA insurance, and (iv) reasonable outplacement services for a period of up to 90 days from termination.

Upon death or disability, Mr. Tenore, or his estate, will receive all accrued compensation and any prorated bonus, and any equity that would have vested during the 24-month period beginning on the date of death or disability will immediately vest. If Mr. Tenore is terminated for Cause, or resigns without Good Reason (as defined), he will receive accrued compensation and any vested equity.

Upon a Change of Control (as defined), all of Mr. Tenore's non-vested equity will immediately vest in full and he will be entitled to his full severance payments stated above if he chooses to terminate his employment with our company. Mr. Tenore will be subject to a one-year non-compete covenant from termination of his employment anywhere in the United States if his termination is for Cause, and six months if termination is for any other reason. He will be subject to a two-year non-solicitation covenant from termination if he is terminated for Cause and 12 months if terminated for any other reason. He also will be covered under our directors and officers liability insurance for up to one year from termination of employment.

*Employment Agreement with Todd McNulty*

On August 31, 2021, Lyneer entered into an employment agreement, as amended, with Todd McNulty to be its Chief Executive Officer. Upon closing of the Merger, Mr. McNulty will continue to be Chief Executive Officer of Lyneer, which will be our wholly-owned subsidiary. The employment agreement is for three years with successive one-year extensions unless terminated by either party upon 90 days' prior written notice. Mr. McNulty's current base salary is \$750,000 per annum. Upon closing of the Merger, he will be eligible for an annual discretionary bonus to be set by the compensation committee of our board of directors.

In case of termination without Cause (as defined), or termination by Mr. McNulty with Good Reason (as defined), or termination upon expiration date with notice of termination/non-renewal by Lyneer, Mr. McNulty will be entitled to severance defined as: (i) in the event of a termination date on or prior to the second anniversary date of the Merger, an amount equal to 1.5 times his annual base salary as in effect immediately prior to the termination date, and continuation of medical insurance benefits, as provided on the termination date until the end of the applicable severance term (as defined, or, at the sole discretion of Lyneer, reimburse Mr. McNulty for COBRA insurance; (ii) in the event of a termination date after the second anniversary of the Merger, an amount equal to one time his annual base salary as in effect immediately prior to the termination date, and continuation of medical insurance benefits or COBRA insurance until the end of the applicable severance term; or (iii) in the case of non-renewal of the employment agreement by Lyneer after the initial term or any renewal term and

the subsequent termination of employment within three months following such non-renewal of the employment agreement by Lyneer, an amount equal to six months of his annual base salary as in effect immediately prior to the termination date, and continuation of medical insurance benefits or COBRA insurance. In case of termination by Lyneer with Cause or by Mr. McNulty without Good Reason, Mr. McNulty will only be entitled to accrued obligations consisting of accrued but unpaid base salary; unreimbursed expenses; accrued but unpaid benefits; and any unpaid bonus for any then completed fiscal year. Mr. McNulty is subject to one-year non-compete and non-solicitation covenants from termination of his employment.

*Employment Agreement with James Radvany*

On August 31, 2021, Lyneer entered into an employment agreement with James Radvany to be its Chief Financial Officer. Upon closing of the Merger, Mr. Radvany will continue to be Chief Financial Officer of Lyneer as a wholly-owned subsidiary of our company. The employment agreement has a term of three years with successive one-year extensions unless terminated by either party upon 90 days' prior written notice. Mr. Radvany's base salary is \$500,000 per annum. He is eligible for an annual discretionary bonus to be set by the compensation committee of our board of directors. Mr. Radvany's employment agreement provides for the same severance provisions, non-competition and non-solicitation covenants as those in Mr. Radvany's employment agreement discussed above. In case of termination by Lyneer with Cause or by Mr. Radvany without Good Reason, Mr. Radvany will only be entitled to accrued obligations consisting of accrued but unpaid base salary; unreimbursed expenses; accrued but unpaid benefits; and any unpaid bonus for any then completed fiscal year.

Mr. Radvany will be paid a \$100,000 transaction bonus as a result of the closing of the Merger.

**2014 Equity Incentive Plan**

Our board of directors and our stockholders originally approved our 2014 Equity Incentive Plan, or the 2014 Plan, in April 2014. Our 2014 Plan allows for the grant of equity-based awards to our and our affiliates' officers, employees, directors and key persons. On March 18, 2021, our board of directors and stockholders approved an amendment and restatement of our 2014 Plan to increase the number of shares of common stock available for equity awards under the 2014 plan to 87,500 shares.

As of December 31, 2023, a total of 87,500 shares of our common stock were authorized for issuance under our 2014 Plan, and at such date, stock grants of an aggregate of 67,845 shares had been made under the 2014 Plan. Upon effectiveness of our Atlantic International Corp. 2023 Equity Incentive Plan upon consummation of the Merger, no additional stock awards will be granted under our 2014 Plan.

**2023 Equity Incentive Plan**

The Atlantic International Corp. 2023 Equity Incentive Plan, which is referred to herein as the "Incentive Plan," will become effective upon the consummation of the Merger and will allow us to continue to provide equity awards as part of our compensation program, an important tool for motivating, attracting and retaining talented employees and for providing incentives that promote our business and increased stockholder value. Upon the effectiveness of the Incentive Plan, no additional stock awards will be granted under our existing 2014 Equity Incentive Plan as in effect immediately prior to the consummation of the Merger.

The following is a summary of the material features of the Incentive Plan. This summary is qualified in its entirety by the full text of the Incentive Plan, a copy of which is filed as an exhibit to the registration statement of which this prospectus forms a part.

*Purpose*

The purpose of the Incentive Plan is to enhance our ability to attract, retain and motivate persons who make (or are expected to make) important contributions to our company following the Merger by providing these individuals with equity ownership opportunities and/or equity-linked compensatory opportunities.



*Eligibility*

Persons eligible to participate in the Incentive Plan will be our officers, employees, non-employee directors, and consultants and those of our subsidiaries as selected from time to time by the plan administrator in its discretion. As of the date of this prospectus, approximately 314 individuals currently employed by, or affiliated with, Atlantic or Lyneer will be eligible to participate in the Incentive Plan, which includes four officers, approximately 300 employees who are not officers, seven non-employee directors, and three consultants.

*Administration*

The Incentive Plan will be administered by the compensation committee of our board of directors, our board of directors or such other similar committee pursuant to the terms of the Incentive Plan. The plan administrator, which initially will be the compensation committee of our board of directors, will have full power to select, from among the individuals eligible for awards, the individuals to whom awards will be granted, to make any combination of awards to participants, and to determine the specific terms and conditions of each award, subject to the provisions of the Incentive Plan. The plan administrator may delegate to one or more of our officers, the authority to grant awards to individuals who are not subject to the reporting and other provisions of Section 16 of the Exchange Act.

*Share Reserve*

A number of shares of our common stock equal to 15% of the number of shares of common stock to be outstanding immediately following consummation of the Merger and this offering will be initially reserved for issuance under the Incentive Plan. Following the Merger, we will assume Atlantic's obligations with respect to restricted stock units granted to and held by those members of Atlantic management and certain persons who will be key consultants to our company post-Merger listed under "Management" and "Senior Management," and it is expected that all of the shares of common stock initially reserved for issuance under the Incentive Plan will be reserved for issuance upon the vesting of such restricted stock units.

Shares underlying any awards under the Incentive Plan that are forfeited, cancelled, held back to cover the exercise price or tax withholding, satisfied without the issuance of stock or otherwise terminated (other than by exercise) will be added back to the shares available for issuance under the Incentive Plan. The payment of dividend equivalents in cash shall not count against the share reserve.

*Annual Limitation on Awards to Non-Employee Directors*

The Incentive Plan contains a limitation whereby the grant date value of all awards under the Incentive Plan and all other cash compensation paid by us to any non-employee director may not exceed \$250,000 in any calendar year, although our board of directors may, in its discretion, make exceptions to the limit in extraordinary circumstances.

*Types of Awards*

The Incentive Plan provides for the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, dividend equivalents, and other stock or cash based awards, or collectively, awards. Unless otherwise set forth in an individual award agreement, each award shall vest over a four-year period, with one-quarter of the award vesting on the first annual anniversary of the date of grant, with the remainder of the award vesting monthly thereafter.

*Stock Options*

The Incentive Plan permits the granting of both options to purchase shares of our common stock intended to qualify as incentive stock options under Section 422 of the Code and options that do not so qualify. Options granted under the Incentive Plan will be nonqualified options if they fail to qualify as incentive stock options or exceed the annual limit on incentive stock options. Incentive stock options may only be granted to our employees and employees of our subsidiaries. Nonqualified options may be granted to any persons eligible to receive awards under the Incentive Plan.

The exercise price of each option will be determined by the plan administrator but generally may not be less than 100% of the fair market value of the common stock on the date of grant or, in the case of an incentive stock option granted to a 10% stockholder, 110% of such share's fair market value. The term of each option will be fixed by the plan administrator and may not exceed ten years from the date of grant (or five years for an incentive stock option granted to a 10% stockholder). The plan administrator will determine at what time or times each option may be exercised, including the ability to accelerate the vesting of such options.

Upon exercise of options, the exercise price must be paid in full either in cash, check, or, with the approval of the plan administrator, by delivery (or attestation to the ownership) of shares of common stock that are beneficially owned by the optionee free of restrictions or were purchased in the open market. Subject to applicable law and approval of the plan administrator, the exercise price may also be made by means of a broker-assisted cashless exercise. In addition, the plan administrator may permit nonqualified options to be exercised using a “net exercise” arrangement that reduces the number of shares issued to the optionee by the largest whole number of shares with fair market value that does not exceed the aggregate exercise price.

#### *Stock Appreciation Rights*

The plan administrator may award stock appreciation rights subject to such conditions and restrictions as it may determine. Stock appreciation rights entitle the recipient to shares of common stock, or cash, equal to the value of the appreciation in our stock price over the exercise price. The exercise price generally may not be less than 100% of the fair market value of common stock on the date of grant. The term of each stock appreciation right will be fixed by the plan administrator and may not exceed ten years from the date of grant. The plan administrator will determine at what time or times each stock appreciation right may be exercised, including the ability to accelerate the vesting of such stock appreciation rights.

#### *Restricted Stock*

The plan administrator may award restricted shares of common stock subject to such conditions and restrictions as it may determine. These conditions and restrictions may include the achievement of certain performance goals and/or continued employment with our company or our subsidiaries through a specified vesting period. Unless otherwise provided in the applicable award agreement, the participant generally will have the rights and privileges of a stockholder as to such restricted shares, including without limitation the right to vote such restricted shares and the right to receive dividends, if applicable.

#### *Restricted Stock Units and Dividend Equivalents*

The plan administrator may award restricted stock units which represent the right to receive common stock at a future date in accordance with the terms of such grant upon the attainment of certain conditions specified by the plan administrator. Restrictions or conditions could include, but are not limited to, the attainment of performance goals, continuous service with our company or our subsidiaries, the passage of time or other restrictions or conditions. The plan administrator determines the persons to whom grants of restricted stock units are made, the number of restricted stock units to be awarded, the time or times within which awards of restricted stock units may be subject to forfeiture, the vesting schedule, and rights to acceleration thereof, and all other terms and conditions of the restricted stock unit awards. The value of the restricted stock units may be paid in shares of common stock, cash, other securities, other property, or a combination of the foregoing, as determined by the plan administrator.

A participant holding restricted stock units will have no voting rights as a stockholder. Prior to settlement or forfeiture, restricted stock units awarded under the Incentive Plan may, at the plan administrator’s discretion, provide for a right to dividend equivalents. Such right entitles the holder to be credited with an amount equal to all dividends paid on one share of common stock while each restricted stock unit is outstanding. Dividend equivalents may be converted into additional restricted stock units. Settlement of dividend equivalents may be made in the form of cash, shares of common stock, other securities, other property, or a combination of the foregoing. Prior to distribution, any dividend equivalents will be subject to the same conditions and restrictions as the restricted stock units to which they attach.

#### *Other Stock or Cash Based Awards*

Other stock or cash based awards may be granted either alone, in addition to, or in tandem with, other awards granted under the Incentive Plan and/or cash awards made outside of the Incentive Plan. The plan administrator will have authority to determine the persons to whom and the time or times at which such awards will be made, the amount of such awards, and all other conditions, including any dividend and/or voting rights.

*Changes in Capital Structure*

The Incentive Plan requires the plan administrator to make appropriate adjustments to the number of shares of common stock that are subject to the Incentive Plan, to certain limits in the Incentive Plan, and to any outstanding awards to reflect stock dividends, stock splits, extraordinary cash dividends and similar events.

*Change in Control*

Except as set forth in an award agreement issued under the Incentive Plan, in the event of a change in control (as defined in the Incentive Plan), each outstanding stock award (vested or unvested) will be treated as the plan administrator determines, which may include (i) our continuation of such outstanding stock awards (if we are the surviving corporation); (ii) the assumption of such outstanding stock awards by the surviving corporation or its parent; (iii) the substitution by the surviving corporation or its parent of new stock options or other equity awards for such stock awards; (iv) the cancellation of such stock awards in exchange for a payment to the participants equal to the excess of (A) the fair market value of the shares subject to such stock awards as of the closing date of such corporate transaction over (B) the exercise price or purchase price paid or to be paid (if any) for the shares subject to the stock awards (which payment may be subject to the same conditions that apply to the consideration that will be paid to holders of shares in connection with the transaction, subject to applicable law); (v) provide that such award shall vest and, to the extent applicable, be exercisable as to all shares covered thereby, notwithstanding anything to the contrary in the Incentive Plan or the provisions of such award; or (vi) provide that the award will terminate and cannot vest, be exercised or become payable after the applicable event.

The Incentive Plan provides that a stock award may be subject to additional acceleration of vesting and exercisability upon a change in control as may be provided in the award agreement for such stock award, but in the absence of such provision, no such acceleration will occur.

*Tax Withholding*

Participants in the Incentive Plan are responsible for the payment of any federal, state or local taxes that we or our subsidiaries are required by law to withhold upon the exercise of options or stock appreciation rights or vesting of other awards. The plan administrator may cause any tax withholding obligation of our company or our subsidiaries to be satisfied, in whole or in part, by the applicable entity withholding from shares of common stock to be issued pursuant to an award a number of shares with an aggregate fair market value that would satisfy the withholding amount due. The plan administrator may also require any tax withholding obligation of our company or our subsidiaries to be satisfied, in whole or in part, by an arrangement whereby a certain number of shares issued pursuant to any award are immediately sold and proceeds from such sale are remitted to us or our subsidiaries in an amount that would satisfy the withholding amount due.

*Transferability of Awards*

The Incentive Plan generally does not allow for the transfer or assignment of awards, other than by will or by the laws of descent and distribution; however, the plan administrator has the discretion to permit awards (other than incentive stock options) to be transferred by a participant.

*Term*

The Incentive Plan will become upon consummation of the Merger and this offering and, unless terminated earlier, the Incentive Plan will continue in effect for a term of ten (10) years, after which time no awards may be granted under the Incentive Plan.

*Amendment and Termination*

Our board of directors and the plan administrator may each amend, suspend, or terminate the Incentive Plan and the plan administrator may amend or cancel outstanding awards, but no such action may materially and adversely affect rights under an award without the holder's consent. Certain amendments to the Incentive Plan will require the approval of our stockholders. Generally, without stockholder approval, (i) no amendment or modification of the Incentive Plan may reduce the exercise price of any stock option or stock appreciation right, (ii) the plan

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administrator may not cancel any outstanding stock option or stock appreciation right where the fair market value of the common stock underlying such stock option or stock appreciation right is less than its exercise price and replace it with a new option or stock appreciation right, another award or cash and (iii) the plan administrator may not take any other action that is considered a “repricing” for purposes of the stockholder approval rules of the applicable securities exchange.

All stock awards granted under the Incentive Plan will be subject to recoupment in accordance with any clawback policy that we are required to adopt pursuant to the listing standards of any national securities exchange or association on which our securities are listed or as is otherwise required by the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In addition, our board of directors may impose such other clawback, recovery or recoupment provisions in a stock award agreement as our board of directors determines necessary or appropriate.

**Form S-8 Registration Statement**

Following the consummation of the Merger, when permitted by SEC rules and subject to any contractual prohibitions, we intend to file with the SEC a registration statement on Form S-8 registering the shares of our common stock issuable under the Incentive Plan.

**Equity Compensation Plan Information**

The following table provides information as of December 31, 2023, regarding our existing compensation plans under which equity securities are authorized for issuance:

Plan category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
2014 Equity Incentive Plan – Equity compensation plan approved by security holders	54,020	\$ 72.55	19,655
Equity compensation plans not approved by security holders	—	—	—
<b>Total</b>	<b>54,020</b>	<b>\$ 72.55</b>	<b>19,655</b>

**Incentive Plan Awards**

We did not make any equity awards to our executive officers during the fiscal year ended December 31, 2023.

**Outstanding Equity Awards at Fiscal Year-End**

The following table sets forth outstanding equity awards to our executive officers as of December 31, 2023.

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable <sup>(1)</sup>	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock that have not Vested	Market Value of Shares or Units of Stock that have not Vested
Daniel Jones	4,460	—	\$ 98.40	9/5/2028	—	\$ —
Daniel Jones	2,396	2,604	\$ 69.20	1/13/2032	—	—

**Director Compensation**

*General.* The following discussion describes the significant elements of the existing compensation program for members of our current board of directors and its committees. The compensation of our directors is, and following the consummation of the Merger will be, designed to attract and retain committed and qualified directors and to align their compensation with the long-term interests of our stockholders. Directors who are also executive officers (each, an “Excluded Director”) will not be entitled to receive any compensation for his or her service as a director, committee member or Chair of our board of directors or of any committee of our board of directors.

*Director Compensation Arrangements.* Our existing non-employee director compensation program is designed to attract and retain qualified individuals to serve on our board of directors. Our board of directors, on the recommendation of its compensation committee, will be responsible for reviewing and approving any changes to the directors’ compensation arrangements. In consideration for serving on our board of directors, each director (other than Excluded Directors) will be paid an annual retainer. All directors will be reimbursed for their reasonable out-of-pocket expenses incurred while serving as directors.

Our board of directors has approved the following compensation program for the non-employee members of our pre-Merger board of directors. This program will be terminated upon the completion of the Merger and options or restricted stock units will be awarded by the Compensation Committee going forward.

*Cash Compensation.* Under such program, we currently pay each non-employee director a cash fee, payable quarterly, of \$4,167 per month for service on our pre-Merger board of directors.

*Equity Awards.* Each non-employee director currently receive a one-time initial stock option award for 16,216 shares of our common stock, which options shall vest in arrears in two equal tranches on the first and second anniversaries of service on our Board. Each non-employee director shall also be eligible to receive grants of stock options, each in an amount designated by the compensation committee of our board of directors, from any equity compensation plan approved by the compensation committee of our pre-Merger Board.

In addition to such compensation, we reimburse each non-employee director for all pre-approved expenses within 30 days of receiving satisfactory written documentation setting out the expense actually incurred by such director. These include reasonable transportation and lodging costs incurred for attendance at any meeting of our board of directors.

Following the consummation of the Merger and this offering, it is expected that our board of directors will review our current director compensation policy and determine if any changes to such policy are desired or required.

The following table sets forth the director compensation we accrued in the year ended December 31, 2023 (excluding compensation to our executive officers set forth in the summary compensation table above).

Name	Fees Earned or Paid in Cash	Option Awards	Total (\$)
Douglas Miscoll	\$ 50,000	\$ —	\$ 50,000
David Pfeffer	60,000	—	60,000
Patrice M. Milos, Ph.D.	50,000	—	50,000
	—	—	—
<b>Total:</b>	<b>\$ 160,000</b>	<b>\$ —</b>	<b>\$ 160,000</b>

### **Pension Benefits**

We expect to adopt Lyneer's 401(k) benefit plan upon the completion of the Merger.

### **Nonqualified Deferred Compensation**

We do not have any non-qualified defined contribution plans or other deferred compensation plans.

### **Limitation of Liability and Indemnification Matters**

Our amended and restated certificate of incorporation limits the liability of our directors for monetary damages for breach of their fiduciary duties, except for liability that cannot be eliminated under the Delaware General Corporation Law ("DGCL"). Consequently, our directors will not be personally liable for monetary damages for breach of their fiduciary duties as directors, except liability for any of the following:

- any breach of their duty of loyalty to us or our stockholders;
- acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases, or redemptions as provided in Section 174 of the DGCL; or
- any transaction from which the director derived an improper personal benefit.

Our amended and restated bylaws also provide that we will indemnify our directors and executive officers and may indemnify our other officers and employees and other agents to the fullest extent permitted by law. Our amended and restated bylaws also permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in this capacity, regardless of whether our amended and restated bylaws would permit indemnification. We plan on obtaining directors' and officers' liability insurance.

The limitation of liability and indemnification provisions in our amended and restated certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against directors and officers, even though an action, if successful, might benefit us and our stockholders. A stockholder's investment may be harmed to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. Insofar as indemnification for liabilities under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and may be unenforceable. There is no pending litigation or proceeding naming any of our directors or officers as to which indemnification is being sought, nor are we aware of any pending or threatened litigation that may result in claims for indemnification by any director or officer.

### **Indemnification of Officers and Directors**

Our amended and restated certificate of incorporation and amended and restated bylaws provide that we will indemnify each of our directors and officers to the fullest extent permitted by the DGCL.

## CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Other than as disclosed below, as of the date of this prospectus, there are no material arrangements, agreements and transactions since January 1, 2021, or any currently proposed transactions, in which we were or are to be a participant and in which any person who will serve as an executive officer or director of our company following the consummation of the Merger and this offering had a direct or indirect material interest (other than compensation described under “Compensation of Executive Officers and Directors”).

At December 31, 2023 and 2022, we had the following outstanding payables to affiliated parties for past services:

	December 31,	
	2023	2022
Genomic Diagnostic Technologies	\$ —	\$ 925
St. Laurent Institute	—	232,418
St. Laurent Realty, Inc.	7,558	7,558
SeqLL Omics Inc.	73,764	—
Total related party payables	\$ 81,322	\$ 240,901

The above entities are affiliated with (i) William C. St. Laurent, a former member of our board of directors, (ii) relatives of Mr. St. Laurent or (iii) entities controlled by the St. Laurent family, who may be deemed to be controlling stockholders of our company. St. Laurent Realty, Inc. and Genomic Diagnostic Technologies assisted us by previously providing corporate accounting support; St. Laurent Institute, a non-for-profit company, provided bioinformatics specialist support for certain sequencing services.

From April 29, 2019 to April 29, 2020, we issued a series of non-convertible promissory notes (the “Promissory Notes”) to St. Laurent Investments LLC amounting to \$1,375,000. The Promissory Notes had a one-year term with interest accruing at 10% per annum. In October 2021, we entered into an agreement with St. Laurent Investments LLC to reduce the interest on \$1,375,000 principal amount of the Promissory Notes from 10% to 5% per year starting on October 1, 2021. In June 2022, we entered into an agreement with St. Laurent Investments LLC to extend the maturity date of the \$1,375,000 Promissory Note, to July 31, 2024.

SeqLL Omics was formed by Daniel Jones, our current Chairman of the Board and Chief Executive Officer, and certain of our other current employees, for the purpose of carrying on our pre-Merger business after the Merger. SeqLL Omics currently performs research and development services for us in order to facilitate our pre-Merger research and development efforts. We incurred expenses of \$73,764 in relation to the services provided by SeqLL Omics during the year ended December 31, 2023.

See “Executive Compensation” for the terms and conditions of employment agreements and senior management consulting agreements and options and warrants issued and/or to be issued to our officers, directors, consultants and senior management.

### Policy for Approval of Related Person Transactions

Pursuant to a written charter adopted by the audit committee of our board of directors, the audit committee will be responsible for reviewing and approving, prior to our entry into any such transaction, all transactions in which we are a participant and in which any of the following persons has or will have a direct or indirect material interest:

- our executive officers;
- our directors;
- the beneficial owners of more than five percent of our securities;
- the immediate family members of any of the foregoing persons; and
- any other persons whom our board of directors determines may be considered related persons.

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For purposes of this policy, “immediate family members” means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, and any person (other than a tenant or employee) sharing the household with the executive officer, director or five percent beneficial owner.

In reviewing and approving such transactions, our audit committee will obtain, or will direct our management to obtain on its behalf, all information that the committee believes to be relevant and important to a review of the transaction prior to its approval. Following receipt of the necessary information, a discussion shall be held of the relevant factors if deemed to be necessary by the committee prior to approval. If a discussion is not deemed to be necessary, approval may be given by written consent of the committee. This approval authority may also be delegated to the chair of the audit committee in some circumstances. No related person transaction shall be entered into prior to the completion of these procedures.

Our audit committee or its chair, as the case may be, will approve only those related person transactions that are determined to be in, or not inconsistent with, our best interest and our stockholders’ best interests, taking into account all available facts and circumstances as the committee or the chair determines in good faith to be necessary. These facts and circumstances will typically include, but not be limited to, the benefits of the transaction to us; the impact on a director’s independence in the event the related person is a director, an immediate family member of a director or an entity in which a director is a partner, stockholder or executive officer; the availability of other sources for comparable products or services; the terms of the transaction; and the terms of comparable transactions that would be available to unrelated third parties or to employees generally. No member of our audit committee will participate in any review, consideration or approval of any related person transaction with respect to which the member or any of his or her immediate family members is the related person.



**PRINCIPAL STOCKHOLDERS**

The following table sets forth information regarding beneficial ownership of our outstanding common stock following the consummation of the Merger and this offering by (i) each of the persons who will serve as one of our directors or executive officers, (ii) all of the persons who will serve as our directors and executive officers as a group and (iii) each person who is known by us who will beneficially own more than 5% of our common stock.

Beneficial ownership is determined in accordance with the rules of the SEC and generally requires that such person have voting or investment power with respect to securities. In computing the number of shares beneficially owned by a person listed below and the percentage ownership of such person, shares underlying options, warrants or convertible securities held by each such person that are exercisable or convertible within 60 days of the closing of the Merger are deemed outstanding, but are not deemed outstanding for computing the percentage ownership of any other person. Except as otherwise indicated in the footnotes to this table, or as required by applicable community property laws, all persons listed have sole voting and investment power for all shares shown as beneficially owned by them. The applicable percentage ownership before the offering is based on 11,000,000 shares of common stock that are expected to be outstanding immediately following the Merger after giving effect to the issuance of 9,800,000 shares of common stock to be issued in the Merger, assuming a public offering price of \$10.00 per Unit in this offering as set forth on the cover page of this prospectus and including the 819,352 shares of our common stock to be placed in escrow to satisfy potential claims of our pre-Merger stockholders due to our cancellation of the stock dividend contemplated by the Merger Agreement as originally executed. The applicable percentage ownership after the offering is based on 13,000,000 shares of common stock that are expected to be outstanding immediately following the Merger and this offering and gives effect to the assumed issuance of 2,000,000 shares of common stock to be issued in this offering at an assumed offering price of \$10.00 per Unit in this offering as set forth on the cover page of this prospectus. This table does not give effect to the issuance of up to 2,000,000 shares of common stock issuable upon exercise of the Series A Warrants or 2,000,000 shares of common stock issuable upon exercise of the Series B Warrants.

Name and Address of Beneficial Owner	Number of Shares	Percentage Ownership	
		Before Offering	After Offering <sup>(1)</sup>
<b><u>Executive Officers and Directors</u></b>			
Prateek Gattani	5,500,000 <sup>(2)</sup>	-0-	42.3%
Robert B. Machinist <sup>(3)</sup>	369,800 <sup>(5)</sup>	-0-	2.8
Jeffrey Jagid <sup>(3)</sup>	825,500 <sup>(6)</sup>	-0-	6.2
Christopher Broderick <sup>(3)</sup>	432,000 <sup>(5)</sup>	-0-	3.2
Michael Tenore <sup>(3)</sup>	236,600 <sup>(5)</sup>	-0-	1.8
Jeff Kurtz <sup>(3)</sup>	8,333 <sup>(7)</sup>	-0-	*
David Solimine <sup>(3)</sup>	8,333 <sup>(7)</sup>	-0-	*
David Pfeffer <sup>(4)</sup>	9,863 <sup>(7)(8)</sup>	*	*
All directors and executive officers as a group (8 persons)	7,390,429	*	56.8%
<b><u>5% or Greater Shareholder</u></b>			
IDC Technologies, Inc., 920 Hillview Court, Suite 250, Milpitas, California 95035 <sup>(10)</sup>	5,500,000 <sup>(9)</sup>	-0-	42.3%

\* Represents ownership of less than one (1%) percent.

- (1) Assumes the sale of 2,000,000 Units in this offering at an assumed public offering price of \$10.00 per Unit.
- (2) As the Chief Executive Officer and sole shareholder of IDC, Mr. Gattani has the power to vote and dispose of the shares held by IDC. The address of Mr. Gattani is c/o IDC Technologies, Inc. (IDC), 920 Hillview Court, Suite 250, Milpitas, California 95035. Does not include restricted stock units (“RSUs”) expected to be issued to Mr. Gattani subsequent to completion of the Merger to purchase 1,300,000 shares of our common stock, which will not be vested within the 60 days following the Merger and not be exercisable until six months following the completion of the Merger.
- (3) The address of this person is c/o Atlantic International Corp., 270 Sylvan Avenue, Suite 2230, Englewood Cliffs, New Jersey 07632.
- (4) The address of Mr. Pfeffer is c/o SeqLL Inc., 3 Federal Street, Billerica, Massachusetts 01821.

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- (5) Does not include restricted stock units (“RSUs”) expected to be issued subsequent to completion of the Merger to purchase 130,000 shares of our common stock, which will not be vested within the 60 days following the Merger and not be exercisable until six months following the completion of the Merger.
- (6) Does not include RSUs expected to be issued subsequent to completion of the Merger to purchase 520,000 shares of our common, which will not be vested within the 60 days following the Merger and not be exercisable until six months following the completion of the Merger.
- (7) Does not include 41,657 RSUs expected to be granted subsequent to the completion of the Merger as directors fees that will not vest within 60 days of the closing of the Merger.
- (8) Includes (i) 500 shares of common stock, (ii) 1,030 shares of common stock issuable upon the exercise of currently exercisable stock options and (iii) 8,333 RSUs expected to be granted subsequent to completion of the Merger as directors fees that will vest within 60 days of the closing of the Merger.
- (9) These shares will be issued to IDC upon consummation of the Merger as Merger Consideration. These shares will be subject to a pledge agreement to be entered into with the lender under the Term Note. In the event of a default by either IDC or Lyneer under the Term Note prior to the restructuring or repayment of their joint and several debt obligations, the lenders under the Term Note would be able to foreclose upon IDC’s equity interest in our company, which would result in a change in control of our company.

## DESCRIPTION OF CAPITAL STOCK

*The following description of our capital stock and provisions of our amended and restated certificate of incorporation and amended and restated bylaws are summaries and are qualified by reference to the amended and restated certificate of incorporation and the amended and restated bylaws that will be in effect upon completion of this offering. Copies of these documents have been filed with the SEC as exhibits to our registration statement, of which this prospectus forms a part.*

Following stockholder approval on August 21, 2023, our amended and restated certificate of incorporation was amended to authorize the issuance of 20,000,000 shares of preferred stock, \$0.0001 par value, and 300,000,000 shares of common stock, \$0.0001 par value. Upon completion of the Merger and this offering, there will be 13,000,000 shares of common stock issued and outstanding, assuming a public offering price of \$10.00 per Unit in this offering as set forth on the cover page of this prospectus.

### Common Stock

Under the terms of our amended and restated certificate of incorporation, holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders, including the election of directors, and do not have cumulative voting rights. The holders of outstanding shares of common stock are entitled to receive dividends out of assets or funds legally available for the payment of dividends at such times and in such amounts as our board of directors from time to time may determine. Our common stock is not entitled to pre-emptive rights and is not subject to conversion or redemption. Upon liquidation, dissolution or winding up of our company, the assets legally available for distribution to stockholders are distributable ratably among the holders of our common stock after payment of liquidation preferences, if any, on any outstanding payment of other claims of creditors. The rights, preferences and privileges of holders of common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

### Preferred Stock

As the date of this prospectus, we have no shares of our preferred stock outstanding, but our board of directors is authorized, without further action by the stockholders, to create and issue one or more series of preferred stock and to fix the rights, preferences and privileges thereof. Among other rights, our board of directors may determine, without further vote or action by our stockholders:

- the number of shares constituting the series and the distinctive designation of the series;
- the dividend rate on the shares of the series, whether dividends will be cumulative, and if so, from which date or dates, and the relative rights of priority, if any, of payment of dividends on shares of the series;
- whether the series will have voting rights in addition to the voting rights provided by law and, if so, the terms of the voting rights;
- whether the series will have conversion privileges and, if so, the terms and conditions of conversion;
- whether or not the shares of the series will be redeemable or exchangeable, and, if so, the dates, terms and conditions of redemption or exchange, as the case may be;
- whether the series will have a sinking fund for the redemption or purchase of shares of that series, and, if so, the terms and amount of the sinking fund; and
- the rights of the shares of the series in the event of our voluntary or involuntary liquidation, dissolution or winding up and the relative rights or priority, if any, of payment of shares of the series.

Although we presently have no plans to issue any shares of preferred stock upon completion of the offering, any future issuance of shares of preferred stock, or the issuance of rights to purchase preferred shares, could, among other things, decrease the amount of earnings and assets available for distribution to the holders of common stock or could adversely affect the rights and powers, including voting rights, of the holders of the common stock.

## **Options**

As of December 31, 2023, we had outstanding options to purchase an aggregate of 54,020 shares of our common stock with a weighted-average exercise price of \$72.55 per share, all of which were issued under the 2014 Plan.

## **Warrants**

As of December 31, 2023, we had outstanding warrants to purchase an aggregate of 95,777 shares of our common stock, with a weighted-average exercise price of \$170.38 per share that were scheduled to expire between January 30, 2024 and August 26, 2026. Additional information with respect to our outstanding warrants as of December 31, 2023 is set forth in Note 9 of the Notes to our unaudited condensed consolidated financial statements for the year ended December 31, 2023 incorporated by reference into this prospectus.

## **Delaware Anti-Takeover Law and Provisions of our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws**

Some provisions of Delaware law, our amended and restated certificate of incorporation and our amended and restated bylaws contain provisions that could make the following transactions more difficult: an acquisition of us by means of a tender offer; an acquisition of us by means of a proxy contest or otherwise; or the removal of our incumbent officers and directors. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interest or in our best interests, including transactions which provide for payment of a premium over the market price for our shares.

These provisions, summarized below, are intended to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors. We believe that the benefits of the increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because negotiation of these proposals could result in an improvement of their terms.

### ***Delaware Anti-Takeover Law***

We are subject to Section 203 of the DGCL. Section 203 generally prohibits a publicly traded corporation from engaging in a “business combination” with an “interested stockholder” for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

- prior to the date of the transaction, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding specified shares; or
- at or subsequent to the date of the transaction, the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 $\frac{2}{3}$ % of the outstanding voting stock which is not owned by the interested stockholder.

Section 203 defines a “business combination” to include:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, lease, exchange, mortgage, pledge, transfer or other disposition of 10% or more of the assets of the corporation to or with the interested stockholder;
- subject to exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;

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- subject to exceptions, any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested stockholder; or
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 defines an “interested stockholder” as any person that is:

- the owner of 15% or more of the outstanding voting stock of the corporation;
- an affiliate or associate of the corporation who was the owner of 15% or more of the outstanding voting stock of the corporation at any time within three years immediately prior to the relevant date; or
- the affiliates and associates of the above.

Under specific circumstances, Section 203 makes it more difficult for an “interested stockholder” to effect various business combinations with a corporation for a three-year period, although the stockholders may, by adopting an amendment to the corporation’s certificate of incorporation or bylaws, elect not to be governed by this section, effective 12 months after adoption.

Our amended and restated certificate of incorporation and amended and restated bylaws do not exclude us from the restrictions of Section 203. We anticipate that the provisions of Section 203 might encourage companies interested in acquiring us to negotiate in advance with our board of directors since the stockholder approval requirement would be avoided if a majority of the directors then in office approve either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder.

### *Undesignated Preferred Stock*

The ability of our board of directors, without action by the stockholders, to issue up to 20,000,000 shares of undesignated preferred stock with voting or other rights or preferences as designated by our board of directors could impede the success of any attempt to change control of us. These and other provisions may have the effect of deferring hostile takeovers or delaying changes in control or management of our company.

### *Stockholder Meetings*

Our amended and restated bylaws provide that a special meeting of stockholders may be called only by our chairman of the board, chief executive officer or president, or by a resolution adopted by a majority of our board of directors.

### *Requirements for Advance Notification of Stockholder Nominations and Proposals*

Our amended and restated bylaws establish advance notice procedures with respect to stockholder proposals to be brought before a stockholder meeting and the nomination of candidates for election as directors, other than nominations made by or at the direction of the board of directors or a committee of the board of directors.

### *Elimination of Stockholder Action by Written Consent*

Our amended and restated certificate of incorporation and amended and restated bylaws do not allow stockholders to act by written consent without a meeting.

### *Removal of Directors*

Our amended and restated certificate of incorporation provides that no member of our board of directors may be removed from office by our stockholders except for cause and, in addition to any other vote required by law, upon the approval of not less than two-thirds of the total voting power of all of our outstanding voting stock then entitled to vote in the election of directors.

*Stockholders Not Entitled to Cumulative Voting*

Our amended and restated certificate of incorporation does not permit stockholders to cumulate their votes in the election of directors. Accordingly, the holders of a majority of the outstanding shares of our common stock entitled to vote in any election of directors can elect all of the directors standing for election, if they choose, other than any directors that holders of our preferred stock may be entitled to elect.

*Choice of Forum*

Our amended and restated certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for the following types of actions or proceedings under Delaware Statutory or Common law: (1) any derivative action or proceeding brought on our behalf; (2) any action asserting a claim of breach of a fiduciary duty or other wrongdoing by any of our directors, officers, employees or agents to us or our stockholders; (3) any action asserting a claim against us arising pursuant to any provision of the DGCL or our amended and restated certificate of incorporation or amended and restated bylaws; or (4) any action asserting a claim governed by the internal affairs doctrine. Our amended and restated certificate of incorporation also provides that any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of and to have consented to this choice of forum provision. It is possible that a court of law could rule that the choice of forum provision contained in our amended and restated certificate of incorporation is inapplicable or unenforceable if it is challenged in a proceeding or otherwise. This choice of forum provision has important consequences to our stockholders.

*Amendment Provisions*

The amendment of any of the above provisions, except for the provision making it possible for our board of directors to issue preferred stock, would require approval by holders of at least 66⅔% of the total voting power of all of our outstanding voting stock.

The provisions of the DGCL, our amended and restated certificate of incorporation and our amended and restated bylaws could have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they may also inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in the composition of our board and management. It is possible that these provisions could make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

**Elimination of Monetary Liability for Officers and Directors**

Our amended and restated certificate of incorporation incorporates certain provisions permitted under the DGCL relating to the liability of directors. The provisions eliminate a director's liability for monetary damages for a breach of fiduciary duty. Our amended and restated certificate of incorporation also contains provisions to indemnify the directors, officers, employees or other agents to the fullest extent permitted by the DGCL. We believe that these provisions will assist us in attracting and retaining qualified individuals to serve as directors.

**Transfer Agent and Registrar**

The transfer agent and registrar for our common stock and SeqLL warrants is VStock Transfer LLC. The address of VStock Transfer, LLC is 18 Lafayette Place, Woodmere, NY 11598 and its telephone number is (212) 828-8436.

## A DESCRIPTION OF SECURITIES BEING OFFERED IN THIS OFFERING

We are offering (A) up to 2,000,000 Units, each Unit consisting of (i) one share of common stock; (ii) one Series A Warrant to purchase one share of common stock; and (iii) one Series B Warrant to purchase one share of common stock and (B) 2,000,000 Pre-Funded Units, each Pre-Funded Unit consisting of: (i) one-Pre-Funded Warrant exercisable for one share of common stock; (ii) one Series A Warrant to purchase one share of common stock; and (iii) one Series B Warrant to purchase one share of common stock. For each Pre-Funded Unit we sell, the number of Units we are offering will be decreased on a one-for-one basis. Because we will issue one Series A Warrant and one Series B Warrant as part of each Unit or Pre-Funded Unit, the number of Series A Warrants and Series B Warrants sold in this offering will not change as a result of any change in the mix of the Units and Pre-Funded Units sold. The Units have no stand-alone rights and will not be issued or certificated. The shares of common stock, the Series A Warrants and Series B Warrants can only be purchased together in this offering but the securities contained in the Units will be issued separately. We are also registering the common stock issuable from time to time upon exercise of the Series A Warrants and the Series B Warrants included in the Units or Pre-Funded Units offered hereby. However, the Series A Warrants and the Series B Warrants will not be listed for trading on any national securities exchange or other nationally-recognized trading market.

### Common Stock

The material terms and provisions of our common stock and each other class of our securities which qualifies or limits our common stock are described under the caption “Description of Capital Stock” in this prospectus.

### Pre-Funded Warrants

The following summary of certain terms and provisions of the Pre-Funded Warrants that are being offered hereby is not complete and is subject to, and qualified in its entirety by the provisions of, the Pre-Funded Warrant, the form of which has been filed as an exhibit to the registration statement of which this prospectus is a part. Prospective investors should carefully review the terms and provisions of the form of Pre-Funded Warrant for a complete description of the terms and conditions of the Pre-Funded Warrants.

The term “pre-funded” refers to the fact that the purchase price of our common stock in this offering includes almost the entire exercise price that will be paid under the Pre-Funded Warrants, except for a nominal remaining exercise price of \$0.0001. The purpose of the Pre-Funded Warrants is to enable investors that may have restrictions on their ability to beneficially own more than 4.99% (or, upon election of the holder, 9.99%) of our outstanding common stock following the consummation of this offering the opportunity to invest capital into the company without triggering their ownership restrictions, by receiving Pre-Funded Warrants in lieu of our common stock which would result in such ownership of more than 4.99% (or 9.99%), and receive the ability to exercise their option to purchase the shares underlying the Pre-Funded Warrants at such nominal price at a later date.

*Form.* The Pre-Funded Warrants will be issued as individual warrant agreements to the investors.

*Exercisability.* The Pre-Funded Warrants offered hereby will entitle the holders thereof to purchase shares of our common stock at a nominal exercise price of \$0.0001 per share, commencing immediately on the date of issuance, until exercised in full. The Pre-Funded Warrants will be exercisable, at the option of each holder, in whole or in part by delivering to us a duly executed exercise notice and, at any time a registration statement registering the issuance of the shares of common stock underlying the Pre-Funded Warrants under the Securities Act is effective and available for the issuance of such shares, or an exemption from registration under the Securities Act is available for the issuance of such shares, by payment in full in immediately available funds for the number of shares of common stock purchased upon such exercise. If a registration statement registering the issuance of the shares of common stock underlying the Pre-Funded Warrants under the Securities Act is not effective or available and an exemption from registration under the Securities Act is not available for the issuance of such shares, the holder may, in its sole discretion, elect to exercise the Pre-Funded Warrants through a cashless exercise, in which case the holder would receive upon such exercise the net number of shares of common stock determined according to the formula set forth in the Pre-Funded Warrant. No fractional shares of common stock will be issued in connection with the exercise of a Pre-Funded Warrant. In lieu of fractional shares, we will pay the holder an amount in cash equal to the fractional amount multiplied by the exercise price.

*Exercise Limitation.* A holder will not have the right to exercise any portion of the Pre-Funded Warrant if the holder (together with its affiliates) would beneficially own in excess of 4.99% (or, upon election of the holder, 9.99%) of the number of shares of our common stock outstanding immediately after giving effect to the exercise, as such percentage ownership is determined in accordance with the terms of the Pre-Funded Warrants. However, any holder may increase or decrease such percentage, provided that any increase will not be effective until the 61<sup>st</sup> day after such election.

*Exercise Price.* The Pre-Funded Warrants will have an exercise price of \$0.0001 per share. The exercise price is subject to appropriate adjustment in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting our common stock and also upon any distributions of assets, including cash, stock or other property to our stockholders.

*Transferability.* Subject to applicable laws, the Pre-Funded Warrants may be offered for sale, sold, transferred or assigned without our consent.

*Exchange Listing.* There is no established trading market for the Pre-Funded Warrants and we do not expect a market to develop. In addition, we do not intend to apply for the listing of the Pre-Funded Warrants on any national securities exchange or other nationally recognized trading market. Without an active trading market, the liquidity of the Pre-Funded Warrants will be limited.

*Fundamental Transactions.* If a fundamental transaction occurs, then the successor entity will succeed to, and be substituted for us, and may exercise every right and power that we may exercise and will assume all of our obligations under the Pre-Funded Warrants with the same effect as if such successor entity had been named in the Pre-Funded Warrant itself. If holders of our common stock are given a choice as to the securities, cash or property to be received in a fundamental transaction, then the holder shall be given the same choice as to the consideration it receives upon any exercise of the Pre-Funded Warrant following such fundamental transaction.

*Rights as a Stockholder.* Except as otherwise provided in the Pre-Funded Warrants or by virtue of such holder's ownership of shares of our common stock, the holder of a Pre-Funded Warrant does not have the rights or privileges of a holder of our common stock, including any voting rights, until the holder exercises the Pre-Funded Warrant.

#### **Series A Warrants and Series B Warrants**

The following summary of certain terms and provisions of the Series A Warrants and Series B Warrants offered hereby (which we refer to collectively in this summary as the "warrants") is not complete and is subject to, and qualified in its entirety by, the provisions of the Series A Warrants and the Series B Warrants, the forms of which have been filed as exhibits to the registration statement of which this prospectus is a part. Prospective investors should carefully review the terms and provisions of the forms of warrants for a complete description of the terms and conditions of the warrants.

*Form.* The warrants will be issued as individual warrant agreements to the investors.

*Exercisability.* The warrants are exercisable at any time after their original issuance and at any time up to the date that is five years after the date we receive stockholder approval to the exercise price reset provisions in the Series A Warrants and the alternative cashless exercise provisions in the Series B Warrants ("Stockholder Approval"). The warrants will be exercisable, at the option of each holder, in whole or in part by delivering to us a duly executed exercise notice and, at any time a registration statement registering the issuance of the shares of common stock underlying the warrants under the Securities Act is effective and available for the issuance of such shares, or an exemption from registration under the Securities Act is available for the issuance of such shares, by payment in full in immediately available funds for the number of shares of common stock purchased upon such exercise. If a registration statement registering the issuance of the shares of common stock underlying the Series A Warrants or the Series B Warrants under the Securities Act is not effective or available and an exemption from registration under the Securities Act is not available for the issuance of such shares, the holder may, in its sole discretion, elect to exercise the warrant through a cashless exercise, in which case the holder would receive upon such exercise the net number of shares of common stock determined according to the formula set forth in the Series A Warrants or the Series B Warrants. No fractional shares of common stock will be issued in connection with the exercise of a warrant. In lieu of fractional shares, we will pay the holder an amount in cash equal to the fractional amount multiplied by the exercise price.



*Liquidated Damages.* If we fail for any reason to deliver to the holder of warrants the shares of common stock issuable upon exercise of Series A Warrants, Series B Warrants or Pre-Funded Warrants subject to a notice of exercise by the applicable warrant share delivery date, we will be required to pay to the holder, in cash, as liquidated damages and not as a penalty, for each \$1,000 of common stock subject to such exercise (based on the VWAP on the date of the applicable Notice of Exercise), \$10 per trading day (increasing to \$20 per trading day on the third trading day after such liquidated damages begin to accrue) for each trading day after such warrant share delivery date until such shares of common stock are delivered or warrant holder rescinds such exercise.

*Exercise Limitation.* A holder will not have the right to exercise any portion of the warrant if the holder (together with its affiliates) would beneficially own in excess of 4.99% (or, upon election of the holder, 9.99%) of the number of shares of our common stock outstanding immediately after giving effect to the exercise, as such percentage ownership is determined in accordance with the terms of the warrants. However, any holder may increase or decrease such percentage, provided that any increase will not be effective until the 61<sup>st</sup> day after such election.

*Exercise Price.* The Series A Warrants will have an exercise price of \$13.00 per share (130% of the assumed public offering price per Unit in this offering), and the exercise price of the Series B Warrants will be \$20.00 per share (200% of the assumed public offering price per Unit in this offering), assuming an offering price of \$10.00 per Unit as set forth on the cover page of this prospectus. Subject to the approval of our stockholders, the exercise price of the Series A Warrants will be reduced on each trading day (each a “Reset Date”) commencing on the third trading day immediately following the date of effectiveness of such Stockholder Approval until the 40<sup>th</sup> trading day following such effective date (the “Reset Period”) to a new exercise price equal to the lower of (i) the then existing exercise price, taking into account any prior reductions to the exercise price, and (ii) a price equal to 105% of the lowest per share volume weighted average price (VWAPs) of the common stock on the CBOE on any trading day during the period from the closing date of this offering to such Reset Date (the “Price Adjustment Provisions”). In the event the Series A Warrants are exercised during the Reset Period, the “Reset Date” for such portion of the Series A Warrants being exercised shall be the date on which the Notice of Exercise is delivered and, with respect to such portion of the Series A Warrant so exercised, the Exercise Price shall not be subsequently reset during the remainder of the Reset Period (and any unexercised portion of the Series A Warrants shall remain subject to further adjustments until the end of the Reset Period). In the Series A Warrants, we will agree to obtain Stockholder Approval of the Price Adjustment Provisions by filing an information statement with the SEC within 15 days of the closing of this offering that will become effective 20 days after filing.

If we pay a stock dividend or make a distribution in common stock or subdivide our outstanding common stock into a larger number of shares or combine our outstanding common stock (including a reverse stock split) into a smaller number of shares (each a “Stock Combination Event”), the number of shares issuable upon exercise of the Series A Warrants shall be proportionately adjusted such that the aggregate exercise price shall remain unchanged. In addition, following such Stock Combination Event, the exercise price of the Series A Warrants will be reduced on each trading day commencing on the second trading day immediately following such Stock Combination Event until the 40<sup>th</sup> trading day following such Stock Combination Event (each a “Stock Combination Reset Date”) to a new exercise price equal to the lower of (i) the then exercise price, taking into account any prior reductions to the exercise price, and (ii) a price equal to 100% of the lowest VWAP of the common stock on the CBOE on any trading day during the period from the date of such Stock Combination Date to such Stock Combination Reset Date. In the event of a reverse stock split, the exercise prices of the Series A Warrants and the Series B Warrants shall be proportionately increased and the number of shares of common stock issuable upon exercise of the Series A Warrants and the Series B Warrants shall be proportionately reduced. In the event the closing price of our common stock is below \$.01 for five (5) consecutive trading days, we will promptly effect a reverse stock split of our common stock.

*Cashless Exercise.* The Series A Warrants and Series B Warrants shall be exercisable on a cashless basis in the event we do not have an effective registration statement under the Securities Act that includes the shares of common stock issuable upon exercise of the Series A Warrants and the Series B Warrants. In addition, subject to the approval of our stockholders, the holders of a Series B Warrant may, at any time and in their sole discretion, exercise such Series B Warrants in whole or in part by means of an “alternative cashless exercise” in which a holder shall be entitled to receive, without the payment of additional consideration, a number of shares of common stock issuable upon exercise that will equal the product of (a) the number of shares of common stock that would be issuable upon exercise of such warrant in accordance with the terms of such

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warrant if such exercise were by means of a cash exercise rather than a cashless exercise and (b) the quotient obtained by dividing (i) the exercise price minus the lowest VWAP on any trading day during the ten trading days immediately prior to the applicable exercise date by (ii) 50% of the lowest VWAP on any trading day during the ten trading days immediately prior to the applicable exercise date (the “Alternative Cashless Exercise Provisions”). In the Series B Warrants, we will agree to obtain majority stockholder consent to the Alternative Cashless Exercise Provisions by filing an information statement with the SEC within 15 days of the closing of this offering that will become effective 20 days after filing.

*Transferability.* Subject to applicable laws, the warrants may be offered for sale, sold, transferred or assigned without our consent.

*Exchange Listing.* In connection with the proposed Merger and this offering, we have applied to have our common stock listed on the CBOE under the symbol “ATLN.” There is no established trading market for the Series A Warrants or the Series B Warrants and we do not expect a market for such warrants to develop. In addition, we do not intend to apply for the listing of such warrants on any national securities exchange or other nationally-recognized trading market. Without an active trading market, the liquidity of such warrants will be limited.

*Fundamental Transactions.* If a fundamental transaction occurs, then the successor entity will succeed to, and be substituted for us, and may exercise every right and power that we may exercise and will assume all of our obligations under the warrants with the same effect as if such successor entity had been named in the warrant itself. If holders of our common stock are given a choice as to the securities, cash or property to be received in a fundamental transaction, then the holder shall be given the same choice as to the consideration it receives upon any exercise of the warrants following such fundamental transaction.

*Rights as a Stockholder.* Except as otherwise provided in the warrants or by virtue of such holder’s ownership of shares of our common stock, the holder of a warrant does not have the rights or privileges of a holder of our common stock, including any voting rights, until the holder exercises the warrant.

## SHARES ELIGIBLE FOR FUTURE SALE

Upon completion of the Merger and this offering, we will have 13,000,000 shares of common stock outstanding, assuming a public offering price of \$10.00 per Unit as set forth on the cover page of this prospectus, including 819,352 escrowed shares that will be reserved for issuance to our pre-Merger stockholders and assuming no exercise of the underwriters' over-allotment option and no exercise of outstanding options or warrants. See "Prospectus Summary-General Information About This Prospectus." Of these outstanding shares of common stock, the 2,000,000 shares sold in this offering, as well as approximately 380,648 shares currently issued and outstanding in the open market, will be freely transferable without restriction or registration under the Securities Act, except for any shares purchased by any of our existing "affiliates," as that term is defined in Rule 144 under the Securities Act. Of the remaining 10,619,352 shares of common stock issued or issuable upon completion of the Merger, all of such shares are or will be "restricted securities" as defined in Rule 144. Restricted securities may be sold in the public market only if registered or if they qualify for an exemption from registration under Rules 144 or 701 of the Securities Act, as described below. As a result of the contractual 180-day lock-up period described below and the provisions of Rules 144 and 701, our 13,000,000 outstanding shares after this offering will be available for sale in the public market as follows:

<b>Number of Shares</b>	<b>Date</b>
2,235,648	On the date of this prospectus.
13,000,000	At or after 180 days* from the date of this prospectus

\* This 180-day period corresponds to the end of the lock-up period described below under "Underwriting."

The forgoing table does not give effect to any additional shares of common stock that may be issuable upon an alternative cashless exercise of the Series B Warrants following our receipt of the Stockholder Approval, and such number of additional shares may be substantial.

### Rule 144

In general, under Rule 144, beginning 90 days after this offering, a person, or persons whose shares are aggregated, other than any affiliate of ours, who owns shares that were purchased from us or any affiliate of ours at least six months previously, is entitled to sell such shares as long as current public information about us is available. In addition, our affiliates who own shares that were purchased from us or any affiliate of ours at least six months previously are entitled to sell within any three-month period a number of shares that does not exceed the greater of (1) one percent of our then-outstanding shares of common stock, which will equal approximately 130,000 shares immediately after this offering, and (2) the average weekly trading volume of our common stock on the CBOE during the four calendar weeks preceding the filing of a notice of the sale on Form 144, or, if no such notice is required, the date of the receipt of the order to execute the sale. Sales under Rule 144 by our affiliates are also subject to manner of sale provisions, notice requirements in specified circumstances and the availability of current public information about us.

Furthermore, under Rule 144, a person who is not deemed to have been one of our affiliates at any time during the three months preceding a sale, and who owns shares within the definition of "restricted securities" under Rule 144 that were purchased from us, or any affiliate, at least one year previously, would be entitled to sell shares under Rule 144 without regard to the volume limitations, manner of sale provisions, public information requirements or notice requirements described above.

We are unable to estimate the number of shares that will be sold under Rule 144 since this will depend on the market price for our common stock, the personal circumstances of the stockholder and other factors.

### Rule 701

In general, under Rule 701, any of our employees, directors, officers, consultants or advisors who purchased shares from us in connection with a compensatory stock or option plan or other written agreement before the effective date of this offering is entitled to resell such shares 90 days after the effective date of this offering in reliance on Rule 144, without having to comply with the holding period requirement or other restrictions contained in Rule 144.

The SEC has indicated that Rule 701 will apply to typical stock options granted by an issuer before it becomes subject to the reporting requirements of the Securities Exchange Act, along with the shares acquired upon exercise of such options, including exercises after the date of this prospectus.

**Lock-Up Agreements**

Upon effectiveness of this offering, we, our directors and executive officers and the holders of 5% or more (calculated on a fully diluted basis) of our issued and outstanding shares of common stock will have signed lock-up agreements that prevent them from selling any shares of our common stock or any securities convertible into or exercisable or exchangeable for shares of our common stock, subject to certain exceptions, for a period of not less than 180 days from the date of this prospectus without the prior written consent of the representative. The representative may in its sole discretion and at any time without notice release some or all of the shares subject to lock-up agreements prior to the expiration of the period. When determining whether or not to release shares from the lock-up agreements, the representatives will consider, among other factors, the stockholder's reasons for requesting the release, the number of shares for which the release is being requested and market conditions at the time.

## UNDERWRITING

We entered into an underwriting agreement with EF Hutton LLC, as representative of the several underwriters relating to this offering. Subject to the terms and conditions of the underwriting agreement, we have agreed to sell to the underwriters and each of the underwriters has agreed to purchase, severally and not jointly, the number of Units and Pre-Funded Units set forth opposite its name in the following table:

	<b>Number of Units</b>
EF Hutton LLC	
Total	2,000,000

The underwriters have agreed to purchase all of the shares of common stock and accompanying warrants offered by us. The obligations of the underwriters may be terminated upon the occurrence of certain events specified in the underwriting agreement. Furthermore, pursuant to the underwriting agreement, the obligations of the underwriters are subject to customary conditions, representations and warranties contained in the underwriting agreement, such as receipt by the underwriters of officers' certificates and legal opinions.

We have granted the underwriters an option for a period of 45 days from the date of this prospectus to purchase up to an additional 300,000 shares of common stock and/or Series A Warrants to purchase 300,000 shares of our common stock and/or Series B Warrants to purchase 300,000 shares of common stock (equal to 15% of the number of Units offered hereby and based on an assumed public offering price of \$10.00 per Unit), which may be purchased in any combination of common stock, Series A Warrants and Series B Warrants, at the public offering price, less the underwriting discounts. To the extent that the underwriters exercise this option, the underwriters will become obligated, subject to conditions, to purchase approximately the same percentage of these additional securities as the number of Units or Pre-Funded Units to be purchased by it in the above table bears to the total number of Units and Pre-Funded Units offered by this prospectus. If this option is exercised in full for Units, the total offering price to the public will be approximately \$23,000,000 and the total net proceeds, after expenses and after the credit to the underwriting commissions described below, to us will be approximately \$21,020,000.

The underwriters have advised us that they propose initially to offer the Units to the public at the public offering price set forth on the cover page of this prospectus and to dealers at a price less a concession not in excess of \$[•] per Unit, based on the contained public offering price per Unit. After the shares of common stock and accompanying Series A Warrants and Series B Warrants are released for sale to the public, the underwriters may change the offering price, the concession, and other selling terms at various times.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act and to contribute to payments the underwriters may be required to make in respect thereof.

The underwriters are offering the securities in this offering subject to prior sale, when, as and if issued to and accepted by them subject to approval of legal matters by their counsel and other conditions specified in the underwriting agreement. The underwriters reserve the right to withdraw, cancel or modify orders to the public, and to reject orders in whole or in part.

### Discounts, Commissions and Reimbursement

The following table provides information regarding the amount of the discounts and commissions to be paid to the underwriters by us, assuming both no exercise and full exercise of the underwriters' option to purchase additional shares of common stock and accompanying warrants.

	<b>Per Unit</b>	<b>Total (No Exercise)</b>	<b>Total (Full Exercise)</b>
Assumed public offering price	\$ 10.00	\$ 20,000,000	\$ 23,000,000
Underwriting discounts and commissions <sup>(1)</sup>	\$ 0.70	\$ 1,400,000	\$ 1,610,000
Proceeds to us, before expenses	\$ 9.30	\$ 18,600,000	\$ 21,390,000

(1) We have agreed to pay the underwriters a commission of 7% of the gross proceeds of this offering. We have further agreed to pay a non-accountable expense allowance to the representative of the underwriter equal to 1% of the gross proceeds received by us at the closing of this offering.

We estimate that our total expenses of the offering, excluding the estimated underwriting discounts and commissions, will be approximately \$705,000, which includes the accountable fees and expenses for which we have agreed to reimburse the underwriters, provided that any such fees and expenses will not exceed an aggregate of \$220,000.

### **Determination of Offering Price**

Our common stock was suspended from trading on the Nasdaq Capital Market on November 13, 2023 and has been trading sporadically in the over-the-counter market since such date. Our securities were delisted from the Nasdaq Capital Market effective April 1, 2024. We have filed a listing application with the CBOE for the listing of our common stock in connection with the proposed Merger and this offering. Therefore, the public offering price of the Units will be determined by negotiations between us and the Representative. In determining the public offering price of the Units, we and the Representative have considered a number of factors, including:

- The information set forth in this prospectus and otherwise available to the Representative;
- Lyneer’s prospects and the history and prospects for the staffing industry in which Lyneer competes;
- An assessment of our management following its Merger;
- Lyneer’s prospects for future earnings;
- Lyneer’s financial condition following the completion of the Merger and the allocation agreement with IDC until the repayment of the Merger Note and the removal of joint and said several liability;
- The general condition of the securities markets at the time of this offering;
- The recent market prices of, and demand for, publicly traded securities of generally comparable companies; and
- Other factors deemed relevant by the underwriters and us.

Neither we nor the underwriters can assure investors that an active trading market will develop for our common stock or the Series A Warrants or Series B Warrants offered hereby or that such securities will trade in the public market at or above the public offering price.

### **Representative’s Warrants**

We have agreed to issue to the Representative (or its permitted assignees) warrants to purchase a number of shares of our common stock equal to 2% of the number of shares of common stock included in the Units sold in this offering, including any shares of common stock sold upon exercise of the over-allotment option. The Representative’s warrants will have a term of five years from the effective date of this prospectus and an exercise price per share equal to 135% of the public offering price per share. Pursuant to FINRA Rule 5110(g), the Representative’s warrants and any shares issued upon exercise of the Representative’s warrants shall not be sold, transferred, assigned, pledged, or hypothecated, or be the subject of any hedging, short sale, derivative, put or call transaction that would result in the effective economic disposition of the securities by any person for a period of 180 days immediately following the date of effectiveness or commencement of sales of this offering, except the transfer of any security: (i) by operation of law or by reason of our reorganization; (ii) to any FINRA member firm participating in the offering and the officers or partners thereof, if all securities so transferred remain subject to the lock-up restriction set forth above for the remainder of the time period; (iii) if the aggregate amount of our securities held by the underwriter or related persons does not exceed 1% of the securities being offered; (iv) that is beneficially owned on a pro rata basis by all equity owners of an investment fund, provided that no participating member manages or otherwise directs investments by the fund and the participating members in the aggregate do not own more than 10% of the equity in the fund; or (v) the exercise or conversion of any security, if all securities remain subject to the lock-up restriction set forth above for the remainder of the time period. The Representative’s warrants will provide for cashless exercise. The Representative’s warrants will contain provisions for one demand registration of the sale of the underlying shares of common stock at our expense, an additional demand registration at the warrant holders’ expense, and unlimited “piggyback” registration rights for a period of three years after the effective date of this prospectus at our expense.

### **Right of First Refusal**

We have granted EF Hutton a right of first refusal, for a period of fifteen (15) months from the closing of this offering, to act as sole investment banker, sole book-runner and/or sole placement agent, at EF Hutton's sole discretion, for each and every future public and private equity and debt offering, including all equity-linked financings (each being referred to as a subject transaction), of our company, or any successor to or any subsidiary of our company, during such fifteen (15) month period, on terms and conditions as mutually agreed by EF Hutton and us. In accordance with FINRA Rule 5110(g)(6)(A), such right of first refusal shall not have a duration of more than three years from the commencement of sales of this offering.

### **Lock-Up Agreements**

We, our officers, directors and 5% or greater stockholders (calculated on a fully diluted basis) have agreed to a 180-day "lock-up" with respect to shares of our common stock and other of our securities that they beneficially own, including securities that are convertible into shares of common stock and securities that are exchangeable or exercisable for shares of common stock. This means that, subject to certain exceptions, for a period of 180 days following the closing of this offering, we and such persons may not offer, sell, pledge or otherwise dispose of these securities without the prior written consent of EF Hutton.

### **Electronic Offer, Sale, and Distribution of Securities**

A prospectus in electronic format may be made available on the websites maintained by the underwriters. The prospectus in electronic format will be identical to the paper version of such prospectus. The underwriters may agree to allocate a number of shares to the underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the underwriters and selling group members that will make internet distributions on the same basis as other allocations. Other than the prospectus in electronic format, the information on these websites is not part of, nor incorporated by reference into, this prospectus or the registration statement of which this prospectus forms a part, has not been approved or endorsed by us, and should not be relied upon by investors.

### **Indemnification**

Pursuant to the Underwriting Agreement, we also intend to agree to indemnify the underwriters against certain liabilities, including civil liabilities under the Securities Act, or to contribute to payments that the underwriters may be required to make in respect of those liabilities.

### **Listing**

In connection with the proposed Merger and this offering, we have applied to have our common stock listed on the CBOE under the symbol "ATLN." We do not intend to apply to list the Units, the Pre-Funded Warrants, the Series A Warrants or the Series B Warrants on any national securities exchange or other nationally-recognized trading market.

### **Stabilization**

In connection with this offering, the underwriters may engage in stabilizing transactions. Stabilizing transactions permit bids to purchase shares of common stock so long as the stabilizing bids do not exceed a specified maximum, and are engaged in for the purpose of preventing or retarding a decline in the market price of the common stock while the offering is in progress.

### **Passive Market Making**

In connection with this offering, the underwriters and selling group members may engage in passive market making transactions in our securities on the CBOE in accordance with Rule 103 of Regulation M under the Exchange Act, during a period before the commencement of offers or sales of the shares and extending through the completion of the distribution. A passive market maker must display its bid at a price not in excess of the highest independent bid of that security. However, if all independent bids are lowered below the passive market maker's bid, then that bid must then be lowered when specified purchase limits are exceeded.

## **Certain Relationships**

The underwriters and their affiliates have provided, or may in the future, from time to time, engage in transactions with and perform services for us in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses. In the ordinary course of their various business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of our company. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## **Selling Restrictions**

This prospectus does not constitute an offer to sell to, or a solicitation of an offer to buy from, anyone in any country or jurisdiction (a) in which such an offer or solicitation is not authorized; (b) in which any person making such offer or solicitation is not qualified to do so; or (c) in which any such offer or solicitation would otherwise be unlawful. No action has been taken that would, or is intended to, permit a public offer of the shares of common stock or possession or distribution of this prospectus or any other offering or publicity material relating to the shares in any country or jurisdiction (other than the United States) where any such action for that purpose is required. Accordingly, the underwriters have undertaken that they will not, directly or indirectly, offer or sell any shares or have in their possession, distribute or publish any prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of shares by it will be made on the same terms.

**Canada.** The common stock may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the common stock must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

**United Kingdom.** This prospectus and any other material in relation to the shares of common stock described herein is only being distributed to, and is only directed at, persons in the United Kingdom who are "qualified investors" or otherwise in circumstances which do not require publication by us of a prospectus pursuant to section 85(1) of the UK Financial Services and Markets Act 2000. Any investment or investment activity to which this prospectus relates is available only to, and will be engaged in only with, investment professionals falling within Article 19(5), or high net worth entities falling within Article 49(2), of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or other persons to whom such investment or investment activity may lawfully be made available (together, "relevant persons"). Persons who are not relevant persons should not take any action on the basis of this prospectus and should not act or rely on it.

**Switzerland.** The securities will not be offered, directly or indirectly, to the public in Switzerland and this prospectus does not constitute a public offering prospectus as that term is understood pursuant to article 652a or 1156 of the Swiss Federal Code of Obligations.



**United Arab Emirates.** Neither this document nor the securities have been approved, disapproved or passed on in any way by the Central Bank of the United Arab Emirates or any other governmental authority in the United Arab Emirates, nor have we received authorization or licensing from the Central Bank of the United Arab Emirates or any other governmental authority in the United Arab Emirates to market or sell the securities within the United Arab Emirates. This document does not constitute and may not be used for the purpose of an offer or invitation. No services relating to the securities, including the receipt of applications and/or the allotment or redemption of such shares, may be rendered within the United Arab Emirates by us.

No offer or invitation to subscribe for securities is valid or permitted in the Dubai International Financial Centre.

**European Economic Area.** In relation to each Member State of the European Economic Area that has implemented the European Prospectus Directive (each, a “Relevant Member State”), an offer of our shares may not be made to the public in a Relevant Member State other than:

- to any legal entity which is a qualified investor, as defined in the European Prospectus Directive;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the European Prospectus Directive), subject to obtaining the prior consent of the representatives for any such offer; or
- in any other circumstances falling within Article 3(2) of the European Prospectus Directive;

provided that no such offer of our shares shall require us or the underwriters to publish a prospectus pursuant to Article 3 of the European Prospectus Directive or supplement prospectus pursuant to Article 16 of the European Prospectus Directive.

For the purposes of this description, the expression an “offer to the public” in relation to the securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities, as the expression may be varied in that Relevant Member State by any measure implementing the European Prospectus Directive in that member state, and the expression “European Prospectus Directive” means Directive 2003/71/EC (and amendments hereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State. The expression 2010 PD Amending Directive means Directive 2010/73/EU.

We have not authorized and do not authorize the making of any offer of securities through any financial intermediary on our behalf, other than offers made by the underwriters and their affiliates, with a view to the final placement of the securities as contemplated in this document. Accordingly, no purchaser of the shares, other than the underwriters, is authorized to make any further offer of shares on our behalf or on behalf of the underwriters.

## **LEGAL MATTERS**

The validity of the issuance of the securities offered by us in this offering will be passed upon for us by Pryor Cashman LLP, New York, New York. Davidoff Hatcher & Citron LLP, New York, New York has acted as counsel to Atlantic International Corp. in connection with this offering. Loeb & Loeb, LLP, New York, New York, has acted as counsel to the underwriters in connection with this offering.

## **EXPERTS**

Our consolidated financial statements as of December 31, 2023 and 2022 and for the years ended December 31, 2023 and December 31, 2022 incorporated by reference into this prospectus have been audited by Wolf & Company, P.C., an independent registered public accounting firm, to the extent and for the periods set forth in their report incorporated by reference herein and are included in reliance upon such report given upon the authority of said firm as experts in auditing and accounting.

The financial statements of Lyneer and its subsidiaries as of and for the years ended December 31, 2023 and 2022 included in this prospectus have been audited by RBSM LLP, an independent registered public accounting firm as set forth in their report, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

## INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC allows us to incorporate by reference much of the information that we file with the SEC, which means that we can disclose important information to you by referring you to those publicly available documents. The information that we incorporate by reference in this prospectus is considered to be part of this prospectus. This prospectus incorporates by reference the documents listed below (other than any portions of such documents that are not deemed “filed” under the Exchange Act in accordance with the Exchange Act and applicable SEC rules):

- our Annual Report on [Form 10-K](#) for the year ended December 31, 2023, filed with the SEC on April 9, 2024; and
- our Current Reports on Form 8-K filed with the SEC on [January 18, 2024](#), and [March 25, 2024](#).

Any information contained in this prospectus or in any document incorporated by reference in this prospectus will be deemed to be modified or superseded to the extent that a statement contained in any prospectus supplement or free writing prospectus provided to you by us modifies or supersedes the original statement.

We will provide to each person, including any beneficial owner, to whom this prospectus is delivered, a copy of any or all the reports or documents that have been incorporated by reference in this prospectus but not delivered with this prospectus (and any exhibits specifically incorporated in such information), at no cost, upon written or oral request to us at the following address:

**SeqLL Inc.**  
**3 Federal Street**  
**Billerica, MA 01821**  
**(781) 460-6016**  
**Attn: Daniel Jones**

Copies of these filings are also available, without charge, on our website at [www.seqll.com](http://www.seqll.com) as soon as reasonably practicable after they are filed electronically with the SEC. You may also obtain additional information about us by visiting our website. The information set forth on, or accessible from, our website is not a part of this prospectus.

## WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the securities offered by this prospectus. This prospectus, which is part of the registration statement, omits certain information, exhibits, schedules and undertakings set forth in the registration statement. For further information pertaining to us and our common stock, reference is made to the registration statement and the exhibits and schedules to such registration statement. Statements contained in this prospectus as to the contents or provisions of any documents referred to in this prospectus are not necessarily complete, and in each instance where a copy of the document has been filed as an exhibit to the registration statement, reference is made to the exhibit for a more complete description of the matters involved.

You may read registration statements and certain other filings made with the SEC electronically are publicly available through the SEC's website at <http://www.sec.gov>. The registration statements, including all exhibits and amendments to the registration statements, have been filed electronically with the SEC.

We are subject to the information and periodic reporting requirements of the Exchange Act and, accordingly, are required to file annual reports containing financial statements audited by an independent public accounting firm, quarterly reports containing unaudited financial data, current reports, proxy statements and other information with the SEC. You will be able to inspect and copy such periodic reports, proxy statements and other information at the SEC's public reference room, and the website of the SEC referred to above.

**FINANCIAL STATEMENTS**

**Page No.**

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**LYNEER INVESTMENTS LLC**

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Members of  
Lyneer Investments, LLC

**Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Lyneer Investments, LLC and subsidiaries (the “Company” or “Successor”) as of December 31, 2023 and 2022, and the related consolidated statements of operations, changes in mezzanine capital and members’ capital (deficit), and cash flows for each of the years in the two-year period ended December 31, 2023, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

**The Company’s Ability to Continue as a Going Concern**

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 3 to the consolidated financial statements, the Company has an accumulated deficit and recurring losses. These conditions raise substantial doubt about the Company’s ability to continue as a going concern. Management’s evaluation of the events and conditions and management’s plans regarding these matters are also described in Note 3. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**Basis for Opinion**

These consolidated 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

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

/s/ RBSM LLP

We have served as the Company’s auditor since 2022.

Las Vegas, Nevada

April 16, 2024

PCAOB ID Number 587

New York | Washington, DC | California | Nevada  
China | India | Greece  
Member of ANTEA International with offices worldwide

**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

	December 31, 2023	December 31, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,352,927	\$ 1,716,161
Accounts receivable, net of allowance of \$1,902,140 and \$394,247	58,818,832	61,005,050
Unbilled accounts receivable	5,660,753	6,307,006
Prepaid income taxes	1,281,925	267,663
Prepaid expenses and other current assets	3,684,011	663,798
Deposits, current	8,000,000	8,000,000
<b>Total current assets</b>	<b>78,798,448</b>	<b>77,959,678</b>
<b>Noncurrent assets</b>		
Property and equipment, net	432,695	603,869
Right-of-use assets	2,368,677	3,840,773
Intangible assets, net	36,188,889	40,982,222
Due from related parties	1,150,000	903,160
Deferred tax assets, net	5,242,610	97,764
Deposits, long-term	276,367	284,004
Other assets	2,208,923	1,636,042
<b>Total non-current assets</b>	<b>47,868,161</b>	<b>48,347,834</b>
<b>Total assets</b>	<b>\$ 126,666,609</b>	<b>\$ 126,307,512</b>
<b>Liabilities, mezzanine capital and members' deficit</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 799,568	\$ 167,711
Accrued expenses and other current liabilities	16,044,095	7,473,109
Due to related parties	4,384,178	6,651,064
Current operating lease liabilities	1,436,813	1,697,310
Notes payable, current portion	133,772,985	10,483,457
Notes payable, current portion – related parties	5,127,218	2,563,609
<b>Total current liabilities</b>	<b>161,564,857</b>	<b>29,036,260</b>
<b>Non-current liabilities</b>		
Notes payable, long term	—	112,727,913
Notes payable, long term – related parties	—	2,563,609
Noncurrent operating lease liabilities	980,851	2,182,227
Other liabilities	3,474,954	7,100,000
<b>Total non-current liabilities</b>	<b>4,455,805</b>	<b>124,573,749</b>
<b>Total liabilities</b>	<b>166,020,662</b>	<b>153,610,009</b>
<b>Commitments and contingencies</b>		
<b>Mezzanine capital</b>		
Redeemable Units (aggregate redemption values of \$10,663,750 and \$10,165,000 at December 31, 2023 and 2022, respectively)	10,663,750	10,165,000
<b>Total mezzanine capital</b>	<b>10,663,750</b>	<b>10,165,000</b>
<b>Members' deficit</b>		
Members' deficit	(50,017,803)	(37,467,497)
<b>Total members' deficit</b>	<b>(50,017,803)</b>	<b>(37,467,497)</b>
<b>Total liabilities, mezzanine capital and members' deficit</b>	<b>\$ 126,666,609</b>	<b>\$ 126,307,512</b>

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

**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

	Year Ended December 31,	
	2023	2022
<b>Service revenue, net</b>	\$ 401,374,701	\$ 441,544,117
Cost of revenue	354,496,441	387,338,567
<b>Gross profit</b>	46,878,260	54,205,550
Selling, general and administrative	45,383,244	42,073,972
Selling, general and administrative – related parties	58,415	192,526
Change in fair value of contingent consideration liabilities	(150,093)	894,133
Depreciation and amortization	5,038,218	5,065,511
<b>(Loss) income from operations</b>	<b>(3,451,524)</b>	<b>5,979,408</b>
Loss on debt extinguishment	189,951	—
Interest expense	17,012,660	9,912,806
Interest expense – related parties	526,156	96,090
<b>Net loss before provision for income taxes</b>	<b>(21,180,291)</b>	<b>(4,029,488)</b>
Income tax benefit	5,928,271	808,430
<b>Net loss</b>	<b>\$ (15,552,020)</b>	<b>\$ (3,221,058)</b>

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



**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN MEZZANINE CAPITAL AND**  
**MEMBERS' CAPITAL (DEFICIT)**

	Mezzanine Capital		Members' Capital (Deficit)		
	Redeemable Interests	Total Mezzanine Capital	Non-Redeemable Interests		
			Contributed Capital	Accumulated (Deficit)	Total Members' Equity/(Deficit)
<b>Balance – December 31, 2021</b>	<b>\$ 9,900,000</b>	<b>\$ 9,900,000</b>	<b>\$ 11,571,321</b>	<b>\$ (43,331,038)</b>	<b>\$ (31,759,717)</b>
Transaction consideration paid on behalf of Parent	—	—	(2,221,722)	—	(2,221,722)
Accretion to redemption value	265,000	265,000	(265,000)	—	(265,000)
Net loss	—	—	—	(3,221,058)	(3,221,058)
<b>Balance – December 31, 2022</b>	<b>\$ 10,165,000</b>	<b>\$ 10,165,000</b>	<b>\$ 9,084,599</b>	<b>\$ (46,552,096)</b>	<b>\$ (37,467,497)</b>
Accretion to redemption value	498,750	498,750	(498,750)	—	(498,750)
Net loss	—	—	—	(15,252,020)	(15,252,020)
Capital contribution	—	—	3,200,464	—	3,200,464
<b>Balance – December 31, 2023</b>	<b>\$ 10,663,750</b>	<b>\$ 10,663,750</b>	<b>\$ 11,786,313</b>	<b>\$ (61,804,116)</b>	<b>\$ (50,017,803)</b>

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

**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Year Ended December 31,	
	2023	2022
<b>Net loss</b>	<b>\$ (15,252,020)</b>	<b>\$ (3,221,058)</b>
<b>Adjustments to reconcile net loss to net cash used in/provided by operating activities:</b>		
Bad debt expense	1,526,985	—
Amortization, deferred financing cost	673,322	405,287
Loss on debt extinguishment	189,951	—
Interest paid in kind	1,990,692	1,264,766
Change in estimated fair value of contingent consideration	(150,093)	894,133
Deferred income taxes	(5,144,846)	(2,445,325)
Depreciation and amortization expense	5,038,218	5,065,511
Expenses paid by IDC	1,840,855	—
<b>Changes in operating assets and liabilities:</b>		
Accounts receivable	659,233	5,685,826
Unbilled accounts receivable	646,253	242,585
Prepaid expenses and other current assets	(3,020,213)	690,518
Prepaid income taxes	(1,014,262)	614,806
Due from related parties	(1,689,764)	(171,213)
Deposits	7,637	1,976,668
Other assets	(572,881)	(1,636,042)
Right of use assets	1,472,096	1,505,884
Right of use assets – related party	—	122,506
Accounts payable	631,857	(1,616,223)
Due to related parties	(549,777)	2,152,836
Income taxes payable	(66,317)	11,408
Accrued expenses and other current liabilities	5,162,350	970,351
Operating lease liability	(1,461,873)	(1,478,018)
Operating lease liability – related party lessor	—	(101,942)
<b>Net cash (used in)/provided by operating activities</b>	<b>(9,082,597)</b>	<b>10,933,264</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment, net	(73,711)	(121,821)
<b>Net cash used in investing activities</b>	<b>(73,711)</b>	<b>(121,821)</b>
<b>Cash flows from financing activities</b>		
Borrowings on revolving line of credit	406,301,822	486,401,819
Payments on revolving line of credit	(397,468,748)	(488,904,273)
Payments of related party notes	—	(504,000)
Payment of seller note	—	(4,221,000)
Debt issuance costs payment	(40,000)	—
Transaction consideration paid on behalf of Parent	—	(2,221,722)
<b>Net cash provided by/(used in) financing activities</b>	<b>8,793,074</b>	<b>(9,449,176)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(363,234)</b>	<b>1,362,267</b>
<b>Cash and Cash Equivalents – Beginning of period</b>	<b>1,716,161</b>	<b>353,894</b>
<b>Cash and Cash Equivalents – End of period</b>	<b>\$ 1,352,927</b>	<b>\$ 1,716,161</b>

**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS — (Continued)**

	Year Ended December 31,	
	2023	2022
<b>Supplemental Disclosures of Cash Flow Information</b>		
Cash paid during the year for:		
Interest	\$ 9,150,636	\$ 4,859,526
Income Taxes, net of refunds received	\$ 73,541	\$ 1,154,012
Non-cash investing and financing activities:		
Deemed capital contribution	\$ 3,200,464	\$ —
Accretion of redeemable units to redemption value	\$ 498,750	\$ 265,000
Unpaid debt issuance costs added to Term Note	\$ 357,500	\$ —
Notes payable issued for amounts due under contingent consideration arrangements	\$ —	\$ 13,494,133

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

**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**Note 1: Organization, Nature of Operations and Basis of Presentation**

Lyneer Investments, LLC (“Lyneer Investments”) is a limited liability company formed in the State of Delaware on January 9, 2018. Lyneer Investments is owned by its members. The members of Lyneer Investments have limited personal liability for the obligations and debts of Lyneer Investments under Delaware law. Lyneer Holdings, Inc. (“Lyneer Holdings”), a wholly owned subsidiary of Lyneer Investments, and Lyneer Staffing Solutions, LLC (“LSS”), a wholly owned subsidiary of Lyneer Holdings, were also incorporated and formed, respectively, in the State of Delaware on January 9, 2018. Lyneer Investments, Lyneer Holdings, and LSS are collectively referred to herein as the “Company.”

The Company specializes in the placement of temporary and temporary-to-permanent labor across various industries throughout the United States of America (“USA”). The Company primarily places individuals in accounting and finance, administrative and clerical, information technology, legal, light industrial, and medical roles. The Company is also a leading provider of productivity consulting and workforce management solutions. The Company is headquartered in Lawrenceville, New Jersey and has more than one hundred locations throughout the USA.

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”) pursuant to the accounting and disclosure rules and regulations of the United States Securities and Exchange Commission (“SEC”). The accompanying consolidated financial statements include the consolidated accounts of Lyneer Investments, Lyneer Holdings and LSS. All significant intercompany transactions and balances have been eliminated in consolidation.

On August 31, 2021 (the “Acquisition Date” or the “Transaction Date”), IDC Technologies, Inc., a California corporation (“Parent” “IDC” or the “Acquirer”) obtained a controlling financial interest in Lyneer Investments by acquiring ninety percent of Lyneer Investments’ outstanding equity (the “Transaction”) pursuant to a membership interest purchase agreement (the “Transaction Agreement”) executed with the selling parties (“Sellers”). Following closing of the Transaction, one of the Sellers, Lyneer Management Holdings, LLC (“LMH”) an entity owned primarily by certain members of the executive management team of the Company continued to own 10% equity interest in the Company. The Transaction represented a change of control with respect to Lyneer Investments and was accounted for as a business combination in accordance with the guidance prescribed in Accounting Standard Codification (“ASC”) Topic 805 — *Business Combinations* (“ASC 805”). Lyneer Investments applied pushdown accounting as of the Acquisition Date.

In connection with the Transaction, IDC or the Company as co-obligors are required to make additional payments to the Sellers should the Company meet certain financial targets, as defined in the Transaction Agreement, within certain timeframes after the Transaction Date. These amounts represent contingent consideration liabilities remeasured at fair value each reporting period, with changes recorded in earnings.

In connection with the Transaction, the Sellers agreed to indemnify the Company for payment of claims or settlement amounts related to any pending or unasserted actions against the Company that arise from events that occurred on or prior to the Transaction Date, as well as legal expenses incurred by the Company related to its defense in such matters.

Total amounts due from the Sellers under the indemnification provisions of the Transaction amounted to \$2,500,000 and \$1,677,201 as of December 31, 2023 and December 31, 2022, respectively, and represented reimbursement for legal fees incurred to which the Company has a right to reimbursement under the Transaction Agreement.

***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.

**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**Note 1: Organization, Nature of Operations and Basis of Presentation (cont.)**

The Company evaluates its estimated assumptions based on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results and outcomes may differ from management's estimates and assumptions. Changes in estimates are reflected in reported results in the period in which they become known.

***COVID-19 Considerations***

In March 2020, the World Health Organization declared a global pandemic related to the novel coronavirus ("COVID-19"). COVID-19 has created significant volatility, uncertainty, and economic disruption in the markets, however, to date, COVID-19 did not have a material adverse effect on the Company's operations other than impairing our goodwill balance in 2021 and subsequent decreases of our gross revenues and costs.

***Russia-Ukraine Conflict and Israel-Hamas War***

During the first quarter of 2022, Russia commenced a military invasion of Ukraine, and the ensuing conflict has created disruption in the region and around the world. To date, this has not had a material effect on the Company's operations. The Company continues to closely monitor the ongoing conflict and related sanctions, which could impact the Company's business, financial results and results of operations in the future.

During October 2023, Hamas launched an attack on southern Israel from the Gaza Strip, and the ensuing war has created disruption in the region and around the world. To date, this has not had a material effect on the Company's operations. The Company continues to closely monitor the ongoing war, but believes it will not impact the Company's business, financial results and results of operations in the future.

**Note 2: Merger Agreement**

On May 29, 2023 and subsequently amended on June 23, 2023, October 5, 2023, October 17, 2023, November 3, 2023, January 16, 2024, March 7, 2024, and April 15, 2024 the Company, SeqLL Inc., a Delaware corporation ("SeqLL"), SeqLL Merger Sub, a Delaware corporation ("SeqLL Merger Sub"), Atlantic Acquisition Corp., a Delaware corporation ("Atlantic"), Atlantic Merger LLC, a Delaware limited liability company and a majority-owned subsidiary of Atlantic ("Atlantic Merger Sub"), Lyneer, IDC and LMH, a Delaware limited liability company ("Lyneer Management"), entered into an Agreement and Plan of Merger (the "Merger Agreement"), pursuant to which (i) Atlantic Merger Sub will be merged with and into the Company with the Company continuing as the surviving entity and as an approximately 44%-owned subsidiary of Atlantic, and approximately 56%-owned subsidiary of IDC, and (ii) SeqLL Merger Sub will subsequently be merged with and into the Company, with the Company continuing as the surviving entity and a wholly-owned subsidiary of SeqLL (collectively referred to as the "Merger").

If the Merger is successful, it is expected to result in the Company becoming a listed company on the Cboe BZX Exchange Inc.

The success of the Merger is contingent on a number of conditions including but not limited to (i) SeqLL raising funding through the public issuance of SeqLL stock ("Capital Raise") (ii) SeqLL shareholder and Board of Directors approval (iii) completion of a reverse stock split of SeqLL's common stock and (iv) approval of the proposed Merger by all parties involved. The Company has achieved the above conditions, excluding (i) the Capital Raise.

As of December 31, 2023, this Merger has not been consummated and therefore there is no accounting impact.

**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**Note 3: Going Concern**

The accompanying consolidated financial statements do not include any adjustments or classifications that may result from the possible inability of the Company to continue as a going concern and have been prepared on a basis which contemplates realization of assets and the satisfaction of liabilities in the normal course of business. Significant assumptions underlie this belief, including, among other things, that there will be no material adverse developments in our business, liquidity, capital requirements and that our credit facilities with lenders will remain available to us.

On June 6, 2023, the Company was informed by a letter from the administrative agent of the lender the borrowing base calculation was required to be changed from how it was historically calculated. This change caused the Company and IDC as co-borrowers to be over-advanced. The agent required the co-borrowers to cure the over-advance. On December 31, 2023, the total over-advance was \$22,518,585. The Company was not in compliance with the covenants with the Revolver due to non-payment of the over-advance.

In accordance with Accounting Standards Codification (“ASC”) Topic 205-40 — *Going Concern*, the Company evaluates whether there are certain conditions and events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern.

On August 31, 2023, the Company entered into Forbearance Agreements with its lenders of the Revolver and Term Note under which the lenders waived all existing events of default as of the date of the agreement and agreed to forbear from exercising its rights and remedies with respect to such events of default under the credit facilities through November 17, 2023.

On January 16, 2024, the Company entered into Extended Forbearance Agreements with the lenders of the Revolver and Term Note under which the lenders extended forbearance concerning all events of default until March 15, 2024, revised financial ratios and entered into a schedule for repayment of the over-advance. On January 16, 2024, the Company also entered into an amended Omnibus Agreement with the lenders of the Seller Notes and Earnout Notes to defer the missed July 31, 2023 and October 31, 2023 principal and interest payments until February 28, 2024, as well as the payment with accrued interest scheduled for January 31, 2024, which shall now be due and payable on February 28, 2024. The Extended Forbearance Agreements and amended Omnibus Agreement represent a limited waiver and require the Company to complete certain milestones even after completion of the proposed Merger. Upon closing of the proposed Merger, issuance of the Merger Note and successfully raising \$20 million of gross proceeds, the Company will be required to direct a portion of the proceeds raised to specified creditors, execute limited pledge and guarantee agreements and provide other customary covenants. The events of default were waived for a limited period until March 15, 2024, at which time the Company is required to refinance or restructure the credit facility. The Company has not refinanced or restructured the credit facility and is not in compliance with its debt obligations upon expiration on March 15, 2024.

Management has considered both scenarios and management’s respective plans to alleviate events that give rise to substantial doubt, including if they are within the control of the Company, in evaluating ASC 205-40, Presentation of Financial Statements. The first scenario described above was determined to be an event (or transaction) outside of the control of the Company. In evaluating the second scenario, the January 16, 2024 agreements represent a limited waiver for a period of less than twelve months and management did not refinance or restructure the credit facility by March 15, 2024. As a result, there is substantial doubt about the Company’s ability to continue as a going concern within one year after the issuance date of these financial statements.

**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**Note 4: Summary of Significant Accounting Policies**

***Cash and Cash Equivalents***

Cash includes funds deposited in banks. The Company considers all highly liquid investments with a maturity at the date of purchase of three months or less to be cash equivalents.

***Accounts Receivable***

Accounts receivable are uncollateralized customer obligations due under normal trade terms requiring payment upon receipt of invoice. The Company extends credit to customers with payment terms ranging from 30 to 150 days from the invoice date. Customer account balances which have not been timely paid according to the customer-specific payment terms are considered delinquent. Accounts receivable are stated at the amount billed to the customer. Upon determination by management, accounts receivable balances are placed into legal, collect and bankruptcy classification, usually on balances over ninety days past the due date. Payments of accounts receivable are allocated to the invoices specified on the customer's remittance advice or, if unspecified, are applied as payments on account until the specific invoices paid are determined.

Contracts with certain customers allow the Company to charge interest at a rate of 1.5% per month once invoices are considered delinquent, which varies based on the terms of the contracts. The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management individually reviews all past due accounts receivable balances and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. Additionally, management applies a general allowance to the remaining accounts receivable based on write-offs from prior periods.

***Property and Equipment***

Property and equipment are stated at cost, net of accumulated depreciation and amortization. Depreciation of property and equipment is computed principally using the straight-line method over the lesser of the estimated useful lives or, in the case of leasehold improvements over the shorter of the useful life of the asset or the remaining term of the lease.

Major improvements are capitalized, while replacements, maintenance and repairs that do not extend the lives of the assets are charged directly to expense as incurred. Upon the disposition of property and equipment, the cost of the asset and the associated accumulated depreciation are eliminated from the related accounts and any resulting gain or loss is recognized as a component of income or loss.

***Joint and Several Liability Arrangements***

In connection with the Transaction, the Company has entered into several debt facilities under which it is jointly and severally liable for repayment with its parent IDC. The Company measures obligations resulting from joint and several liability arrangements in accordance with ASC 405-40 — *Obligations Resulting from Joint and Several Liability Arrangements* ("ASC 405-40"). ASC 405-40 requires that when determining the amount of liability to recognize under a joint and several obligation, a reporting entity which is an obligor under a joint and several liability arrangement first look to the terms of a related agreement with its co-obligors and record an amount equal to what it is obligated to pay under that agreement, plus any amount it expects to pay on behalf of the co-obligors. If no agreement with the co-obligors exists a reporting entity should recognize the full amount that it could be required to pay under the joint and several liability obligation. The offsetting journal entry upon the Company's recognition of amounts under joint and several liability arrangements will differ based on the substance of the transactions or events that gave rise to recognition. In cases where a joint and several liability arises because the Company has received cash proceeds for use in its own operations the offsetting entry is generally a debit to cash. In cases where the Company has recognized a liability and funds were borrowed for the benefit of IDC, the Company generally recognizes a deemed distribution within its statement of changes in mezzanine capital and members' capital (deficit). The Company records associated interest expense and associated debt issuance costs for all amounts that

**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**Note 4: Summary of Significant Accounting Policies (cont.)**

it has recognized in its financial statements under joint and several liability obligations. Amounts recognized in the Company's financial statements represents its portion of amounts Lyneer expects to repay under its respective joint and several liability agreements as of December 31, 2023 and December 31, 2022, respectively. See Note 9: *Debt* for more information.

***Contingent Consideration***

For business combinations that require additional assets — such as cash, notes, or equity securities — to be transferred to the selling parties in the event certain future events occur or conditions are met (“contingent consideration”), the Company recognizes the acquisition-date fair value of contingent consideration as part of the consideration transferred in exchange for the business combination. The Company's contingent consideration is classified as a liability and measured at fair value at each reporting date until the contingency is resolved, with any changes in fair value recognized in the Company's consolidated statements of operations. The measurement period for the Company's contingent consideration arrangements expired on August 31, 2023, at which time amounts owed by the Company to its former owners were computed and represent fixed amounts, included in “accrued expenses and other current liabilities” and “other liabilities” on the accompanying consolidated balance sheets.

***Segments***

Operating segments are defined as components of an entity for which discrete financial information is available that is regularly reviewed by the Chief Operating Decision Maker (“CODM”) in deciding how to allocate resources to an individual segment and in assessing performance. The Company's Chief Executive Officer (“CEO”) is the CODM. The CODM reviews financial information presented on a consolidated basis for purposes of making operating decisions, allocating resources, and evaluating financial performance. As such, the Company has one operating segment, which is the business of providing commercial staffing solutions.

***Redeemable Units***

Certain outstanding ownership interests of the Company were redeemable upon certain defined events that were determined to be outside of the Company's control during the period ended December 31, 2021. Accordingly, these ownership interests were initially recorded in mezzanine capital and subject to subsequent measurement under the guidance provided under ASC Topic 480 — *Distinguishing Liabilities from Equity* (“ASC 480”). Pursuant to ASC 480, contingently redeemable equity instruments that are not redeemable as of the balance sheet date but probable of becoming redeemable in the future, should be accreted to their redemption value either immediately or ratably. The Company performs an assessment as to whether an outstanding contingently redeemable instrument is probable of becoming redeemable in the future at each reporting date. The Company has elected to recognize changes in redemption value immediately upon the determination that an outstanding instrument is probable of becoming redeemable in the future. Increases in the redemption value of contingently redeemable units are recorded as an increase in mezzanine capital and a reduction of members' capital.

***Intangible Assets***

The Company's identifiable intangible assets as of December 31, 2023 and 2022 consist of the Company's customer relationships and tradenames and were initially recognized as a result of the Transaction. The Company's intangible assets are amortized using the straight-line method over their estimated useful lives.

***Impairment of Long-Lived Assets***

In accordance with ASC Topic 360 — *Property, Plant, and Equipment*, the Company's long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that carrying amounts may not be recoverable.



**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**Note 4: Summary of Significant Accounting Policies (cont.)**

For long-lived assets to be held and used, the Company recognizes an impairment loss only if the asset's carrying amount is not recoverable through its undiscounted cash flows and measures the impairment loss based on the difference between the carrying amount and fair value. For the years ended December 31, 2023 and 2022, there was no impairment of the Company's long-lived assets.

**Leases**

The Company is a lessee under various noncancellable operating leases.

The Company accounts for leases in accordance with ASC Topic 842 — *Leases* ("ASC 842"). The Company determines if an arrangement is or contains a lease at contract inception. If a contract is or contains a lease, the Company recognizes a right-of-use ("ROU") asset and a lease liability at the lease commencement date.

For operating leases, the lease liability is initially and subsequently measured at the present value of the unpaid lease payments.

Key estimates and judgments include how the Company determines (1) the discount rate it uses to discount the unpaid lease payments to present value, (2) lease term, and (3) lease payments.

- ASC 842 requires a lessee to discount its unpaid lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, its incremental borrowing rate. Generally, the Company cannot determine the interest rate implicit in the lease because it does not have access to the lessor's estimated residual value or the amount of the lessor's deferred initial direct costs. Therefore, the Company generally uses its incremental borrowing rate as the discount rate for the lease.
- The lease term for all the Company's leases includes the noncancellable period of the lease plus any additional periods covered by either a Company option to extend (or not to terminate) the lease that the Company is reasonably certain to exercise, or an option to extend (or not to terminate) the lease controlled by the lessor.
- Lease payments included in the measurement of the lease liability are fixed payments, including in-substance fixed payments, owed over the lease term.

The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus any initial direct costs incurred less any lease incentives received.

For operating leases, the ROU asset is subsequently measured throughout the lease term at the carrying amount of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Company monitors for events or changes in circumstances that require a reassessment of one of its leases. When a reassessment results in the remeasurement of a lease liability, a corresponding adjustment is made to the carrying amount of the corresponding ROU asset unless doing so would reduce the carrying amount of the ROU asset to an amount less than zero. In that case, the ROU asset is reduced to zero and the remainder of the adjustment is recorded in profit or loss.

**Deferred Financing Costs**

Costs that are incremental and direct to obtaining debt financing are capitalized and amortized as a component of interest expense, over the term of the related debt. Unamortized deferred financing fees are presented as a contra-liability with respect to the associated outstanding debt on the Company's consolidated balance sheets.

**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**Note 4: Summary of Significant Accounting Policies (cont.)**

***Revenue Recognition***

***Service Revenues***

The Company derives its revenues from two service lines: temporary placement services and permanent placement and other services. Revenues are recognized when promised goods or services are delivered to customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of ASC Topic 606 — *Revenue from Contracts with Customers* (“ASC 606”), the Company performs the following five steps: (i) it identifies the contract with a customer; (ii) it identifies the performance obligations in the contract; (iii) it determines the transaction price; (iv) it allocates the transaction price to the performance obligations in the contract; and (v) it recognizes revenue when (or as) the Company satisfies a performance obligation.

***Temporary Placement Services Revenue***

Temporary placement services revenue from contracts with customers are recognized in the amount which the Company has a right to invoice when the services are rendered by the Company’s engagement professionals. The Company invoices its customers for temporary placement services concurrently with each periodic payroll which coincides with the services provided. Revenues that have been recognized but not invoiced for temporary staffing customers are included in “unbilled accounts receivable” on the Company’s consolidated balance sheets and represent a contract asset under ASC 606.

Most engagement professionals placed on assignment by the Company are employed by a third-party professional employer organization (“PEO”) while they are working on assignments. The PEO pays all related costs of employment, including workers’ compensation insurance, state and federal unemployment taxes, social security, and certain fringe benefits which is invoiced back to the Company on a weekly basis. The Company assumes the risk of acceptability of its employees to its customers.

The Company records temporary placement services revenue on a gross basis as a principal, rather than on a net basis as an agent in the presentation of revenues and expenses. The Company has concluded that gross reporting is appropriate because the Company (i) has the risk of identifying and hiring qualified employees, (ii) has the discretion to select the employees and establish their price and duties, and (iii) bears the risk for services that are not fully paid for by customers.

***Permanent Placement and Other Services Revenue***

Permanent placement and other services revenue from contracts with customers are primarily recognized when employment candidates accept offers of permanent employment and begin work for the Company’s clients. Certain of the Company’s permanent placement contracts contain a thirty-day guarantee period. The Company has a substantial history of estimating the financial impact of permanent placement candidates who do not remain with its clients through the thirty-day guarantee period. If a candidate voluntarily leaves or is terminated for cause prior to the completion of thirty days of employment, the Company will provide a replacement candidate at no additional cost to the customer, as long as the placement fee is paid within thirty days of the candidate’s start date. When required to provide a replacement candidate, the Company defers the recognition of revenue until a replacement candidate is found and hired, and any associated fees collected from the customer is recorded as a contract liability. Fees to clients are generally calculated as a percentage of the new employee’s annual compensation. No fees for permanent placement talent solutions services are charged to employment candidates, regardless of whether the candidate is placed.

Contract liabilities are recorded when cash payments are received or due in advance of performance and are reflected in “accrued expenses and other current liabilities” on the accompanying consolidated balance sheets.

**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**Note 4: Summary of Significant Accounting Policies (cont.)**

***Cost of Revenue***

Direct costs of temporary placement services consist of payroll, payroll taxes, and benefit costs for the Company's engagement professionals. There are no material direct costs of permanent placement and other services.

***Advertising Expense***

The Company expenses advertising costs as incurred. For the years ended December 31, 2023 and December 31, 2022, the Company recorded advertising expense of \$962,606 and \$859,545, respectively. Advertising expense is included in "selling, general and administrative" on the accompanying consolidated statements of operations.

***Income Taxes***

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement 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 includes the enactment date. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company recognizes uncertain tax positions that it has taken or expects to take on a tax return. Management makes a determination as to whether it is more likely than not that an income tax position will be sustained, based upon technical merits, upon examination by the taxing authorities. If the Company were to incur an income tax liability from an uncertain tax position in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax liability would be reported as income taxes.

Management's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analyses of tax laws, regulations and interpretations thereof as well as other factors.

***Fair Value Measurements***

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company has applied the framework for measuring fair value which requires a fair value hierarchy to be applied to all fair value measurements. All financial instruments recognized at fair value are classified into one of three levels in the fair value hierarchy as follows:

- Level 1* — Valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities.
- Level 2* — Valuation techniques based on inputs that are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not in active markets; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived from or corroborated by observable market data by correlation or other means.
- Level 3* — Valuation techniques with significant unobservable market inputs.

The Company measures certain non-financial assets and liabilities, including long-lived assets, intangible assets and goodwill, at fair value on a nonrecurring basis. The fair value of contingent consideration is classified within Level 3 of the fair value hierarchy.

**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**Note 4: Summary of Significant Accounting Policies (cont.)**

***Loss Contingencies***

From time to time, the Company may become involved in various claims, disputes and legal or regulatory proceedings that arise in the ordinary course of business. The Company assesses its potential contingent and other liabilities by analyzing its claims, disputes and legal and regulatory matters using all available information and developing its views on estimated losses in consultation with its legal and other advisors. The Company determines whether a loss from a contingency should be accrued by assessing whether a loss is deemed probable and can be reasonably estimated. If the contingency is not probable or cannot be reasonably estimated, disclosure of the contingency shall be made when there is at least a reasonable possibility that a loss may be incurred. Legal fees incurred by the Company related to contingent liabilities are expensed as incurred.

***Recent Accounting Pronouncements***

*Standards Recently Adopted*

In June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-13 — *Financial Instruments-Credit Losses: Measurement of Credit Losses on Financial Instruments* (“ASU 2016-13”). ASU 2016-13 requires measurement and recognition of expected credit losses for financial assets. In April 2019, the FASB issued clarification to ASU 2016-13 within ASU 2019-04, *Codification Improvements to ASC Topic 326 — Financial Instruments-Credit Losses*, ASC Topic 815 — *Derivatives and Hedging*, and ASC Topic 825 — *Financial Instruments* or ASU 2016-13. The guidance is effective for fiscal years beginning after December 15, 2022. The adoption of ASU 2016-13 did not have a material impact on its financial statements and financial statement disclosures.

*Standards Not Yet Adopted*

In December 2023, the FASB issued ASU 2023-09 — *Income Taxes* (“ASU 2023-09”) to enhance income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The guidance is effective for reporting periods after December 15, 2025, for other than public companies. Early adoption is permitted. The Company does not believe ASU 2023-09 or any other recently issued but not yet effective accounting pronouncements will have a material effect on its consolidated financial statements.

**Note 5: Revenue Recognition and Accounts Receivable**

The Company’s disaggregated revenues are as follows:

	<b>Year Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Temporary placement services	\$ 396,739,483	\$ 434,301,937
Permanent placement and other services	4,635,218	7,242,180
<b>Total service revenues, net</b>	<b>\$ 401,374,701</b>	<b>\$ 441,544,117</b>

When disaggregating revenue, the Company considered all of the economic factors that may affect its revenues. Because all its revenues are from placement services, there are no differences in the nature, timing and uncertainty of the Company’s revenues and cash flows from its revenue generating activities. For the periods ended December 31, 2023 and December 31, 2022, revenues from the Company’s largest customer accounted for approximately 16% and 18% of consolidated revenues, respectively; no other customers accounted for more than 10% of the Company’s consolidated revenues in either period. Economic factors specific to this customer could impact the nature, timing and uncertainty of the Company’s revenues and cash flows.

**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**Note 5: Revenue Recognition and Accounts Receivable (cont.)**

Contract assets consists of unbilled accounts receivable of \$5,660,753 and \$6,307,006 as of December 31, 2023 and December 31, 2022, respectively.

Accounts receivable is as follows:

	December 31, 2023	December 31, 2022
Accounts receivable	\$ 60,720,972	\$ 61,399,297
Allowance for doubtful accounts	(1,902,140)	(394,247)
<b>Accounts receivable, net</b>	<b>\$ 58,818,832</b>	<b>\$ 61,005,050</b>

The Company recognized \$1,526,985 and \$0 of bad debt expense during the years ended December 31, 2023 and 2022, respectively.

None of the Company's customers accounted for more than 10% of the Company's accounts receivable as of December 31, 2023. As of December 31, 2022, two of the Company's customers accounted for approximately 14% and 10% of the Company's consolidated accounts receivable balance.

**Note 6: Property and Equipment**

Property and equipment consisted of the following:

	December 31, 2023	December 31, 2022	Estimated Useful Life
Computer equipment and software	\$ 730,941	\$ 659,474	3 years
Office equipment	94,876	94,876	5 years
Furniture and fixtures	168,778	166,534	7 years
Leasehold improvements	18,420	18,420	Lesser of lease term or asset life
<b>Total</b>	<b>\$ 1,013,015</b>	<b>\$ 939,304</b>	
<i>Less: accumulated depreciation and amortization</i>	<i>(580,320)</i>	<i>(335,435)</i>	
<b>Property and equipment, net</b>	<b>\$ 432,695</b>	<b>\$ 603,869</b>	

Total depreciation expense of \$244,885 and \$252,178 was recorded during the years ended December 31, 2023 and 2022, respectively and is included in "depreciation and amortization" in the accompanying consolidated statements of operations.

The carrying value of the Company's property and equipment serving as collateral for the Company's outstanding indebtedness amounted to \$426,920 and \$592,679 as of December 31, 2023 and 2022, respectively.

**Note 7: Intangible Assets**

Intangible assets consisted of the following:

	December 31, 2023			December 31, 2022		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer Relationships	\$ 35,000,000	\$ (5,451,111)	\$ 29,548,889	\$ 35,000,000	\$ (3,111,111)	\$ 31,888,889
Trade Name	12,400,000	(5,760,000)	6,640,000	12,400,000	(3,306,667)	9,093,333
<b>Total intangible assets</b>	<b>\$ 47,400,000</b>	<b>\$ (11,211,111)</b>	<b>\$ 36,188,889</b>	<b>\$ 47,400,000</b>	<b>\$ (6,417,778)</b>	<b>\$ 40,982,222</b>

Total amortization expense of \$4,793,333 and \$4,813,333 was recorded during the years ended December 31, 2023 and 2022, respectively. Amortization expense related to intangible assets is included in "depreciation and amortization" on the accompanying consolidated statements of operations.

**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**Note 7: Intangible Assets (cont.)**

As of December 31, 2023 scheduled future amortization of the Company's intangible assets is as follows for each of the next five years and thereafter:

2024	\$ 4,793,333
2025	4,793,333
2026	4,053,334
2027	2,333,333
2028	2,333,333
Thereafter	17,882,223
<b>Total</b>	<b>\$ 36,188,889</b>

The Company continuously monitors for events and circumstances that could indicate that it is more likely than not that its finite lived intangible assets and other long-lived assets are impaired or not recoverable (a triggering event). During the year ended December 31, 2023, the Company considered a number of factors including, but not limited to, current macroeconomic conditions such as inflation, economic growth, and interest rate movements, industry and market considerations, and overall financial performance of the Company. Based on the analysis of relevant events and circumstances, the Company concluded a triggering event had not occurred as of December 31, 2023.

**Note 8: Leases**

We determine whether an arrangement is a lease at inception and whether such leases are operating or financing leases. The Company does not have any material leases, individually or in the aggregate, classified as finance leases. For each lease agreement, the Company determines its lease term as the non-cancellable period of the lease and includes options to extend or terminate the lease when it is reasonably certain that it will exercise that option. We use these options in determining our capitalized financing and right-of-use assets and lease liabilities.

Our lease agreements do not contain any material residual value guarantees or material restrictive covenants. To determine the discount rate to use in determining the present value of the lease payments, we use the rate implicit in the lease if determinable, otherwise we use our incremental borrowing rate.

The Company maintains operating leases for corporate and field offices. The Company's leases have initial terms ranging from one month to three years, some of which include the option to renew, and some of which include an early termination option. During the year ended December 31, 2023, the Company extended certain of its leases for periods ranging from one to four years.

**Variable Lease Costs**

Certain of the Company's leases require payments for taxes, insurance, and other costs applicable to the property, in addition to the minimum lease payments. These costs are considered variable costs which are based on actual expenses incurred by the lessor. Therefore, these amounts are not included in the calculation of the right-of-use assets and lease liabilities.

The Company has lease agreements which provide for fixed and scheduled escalations, which are included in the calculation of the right-of-use assets and lease liabilities. The Company does not generally enter into lease agreements with increases in the base rent amount based on changes to the consumer price index.

Further, the Company has several locations in which its lease tenancy is month-to-month. For purposes of the Company's lease liability calculations, the Company has estimated the length of time that it is reasonably certain to occupy the space. There is inherent variability risk due to these month-to-month tenancies.

**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**Note 8: Leases (cont.)*****Options to Extend or Terminate Leases***

Many of the Company's leases contain options to extend the lease term. The leases generally contain a single option of one-year to three-year renewal terms. The exercise of lease renewal options is at the Company's sole discretion. If it is reasonably certain that the Company will exercise such options, the periods covered by such options are included in the lease term and are recognized as part of the Company's right-of-use assets and lease liabilities. The Company's leases do not generally contain options to early terminate; however, leases with month-to-month tenancy can be terminated at any time.

***Related Party Lease***

During 2022, the Company leased office space in Ewing, New Jersey (the "Leased Property") under an operating lease agreement (the "Related Party Lease Agreement") from a leasing entity owned and controlled by the Company's Chief Financial Officer (the "CFO"). The Leased Property served as the Company's headquarters until October of 2022 when the Company terminated the Related Party Lease Agreement and relocated its headquarters to a different location under a lease agreement with an unrelated landlord.

***Discount Rate and Lease Term***

The following table summarizes the weighted average remaining lease term and discount rate for operating leases as of December 31, 2023 and December 31, 2022:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Weighted average remaining lease term for operating leases	1.75 years	3.15 years
Weighted average discount rate for operating leases	4.22%	3.48%

***Lease Costs and Activity***

The Companies lease costs and activity are as follows:

	<b>Year Ended December 31, 2023</b>	<b>Year Ended December 31, 2022</b>
<b>Operating Lease Cost</b>		
Fixed lease costs to non-related parties	\$ 1,419,202	\$ 2,006,840
Fixed lease costs to related parties	—	122,904
Variable lease costs to non-related parties	226,837	215,887
<b>Total lease cost</b>	<b>\$ 1,646,039</b>	<b>\$ 2,345,631</b>
<b>Supplemental Cash Flow Disclosures</b>		
Cash paid to non-related parties for the amounts included in the measurement of operating lease liabilities	\$ 1,409,154	\$ 1,978,973
Cash paid to related parties for the amounts included in the measurement of operating lease liabilities	—	102,340
Right-of-use assets obtained in exchange of new operating lease liabilities	445,480	373,010

**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**Note 8: Leases (cont.)**

***Maturity of Lease Liabilities***

The following table summarizes the future minimum payments for operating leases as of December 31, 2023, due in each year ending December 31:

Year	Minimum Lease Payments
2024	\$ 1,502,006
2025	933,694
2026	65,486
2027	—
2028	—
Thereafter	—
<b>Total lease payments</b>	<b>\$ 2,501,186</b>
Less: imputed interest	(83,522)
<b>Present value of operating lease liabilities</b>	<b>\$ 2,417,664</b>

**Note 9: Debt**

All of the Company's debt obligations consist of joint and several liabilities with the Company's Parent which are accounted for under ASC 405. Lyneer will remain jointly and severally liable with the Company's Parent to the lenders of the debt obligations until such time as such joint and several indebtedness is restructured.

The table below provides a breakdown of the Company's recognized debt:

	December 31, 2023	December 31, 2022
Revolver	\$ 85,092,695	\$ 76,259,621
Term note	34,223,489	31,875,297
Seller notes	7,875,000	7,875,000
Earnout notes	8,366,915	8,366,915
Earnout notes – related party	5,127,218	5,127,218
Less: unamortized debt issuance costs	(1,785,114)	(1,165,463)
<b>Total debt</b>	<b>\$ 138,900,203</b>	<b>\$ 128,338,588</b>
<i>Current portion</i>	\$ 138,900,203	\$ 13,047,066
<i>Non-current portion</i>	\$ —	\$ 115,291,522

The revolving credit facility (the "Revolver") and Term Note contain certain customary financial and non-financial covenants that the Company is required to comply with; the Company was not in compliance with the covenants of the Revolver and Term Note as of December 31, 2022. On May 5, 2023, the Company and the Revolver and Term Note lenders executed waiver and amendment agreements (the "Third Amendments") that (i) waived all December 31, 2022 covenant violations and (ii) modified the financial and on-financial covenants. On August 31, 2023, the Company and the Revolver and Term Note lenders entered into the Forbearance Agreements (defined below), under which the lenders waived all existing events of default as of the date of the agreement and agreed to forbear from exercising its rights and remedies with respect to such events of default under the credit facilities through November 17, 2023.

As disclosed in Note 3: *Going Concern*, the Company entered into Revised Forbearance Agreements with its Revolver and Term Note lenders on January 16, 2024. Under these agreements, the lenders extended forbearance concerning all events of default until March 15, 2024. Because the extended waiver obtained from the lenders does



**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**Note 9: Debt** (cont.)

not extend one year from the balance sheet date and the Company did not meet the covenants upon expiration of the forbearance period on March 15, 2024, the Company has classified all of its notes payable debt obligations as current liabilities as of December 31, 2023.

**Revolver**

The Company maintains a Revolver as a co-borrower with its parent company IDC with an available borrowing capacity of up to \$125,000,000, a sublimit for letters of credit of \$10,000,000 and a sublimit for Swing-Line Loans of \$10,000,000. The facility was partially used to finance the acquisition of Lyneer Investments by IDC in August 2021, with additional borrowing capacity available under the Revolver to finance the Company's working capital. All of the Company's cash collections and disbursements are currently linked with bank accounts associated with the Lender and funded using the Revolver. These borrowings are determined by the Company's availability based on a formula of billed and unbilled accounts receivable as defined in the loan agreement.

As of December 31, 2023, the outstanding loan balance on the Revolver was \$90,906,217 which represents the maximum amount of principal as of that date that the Company could be required to pay under the credit agreement for the Revolver. As of December 31, 2023 and 2022, the Company has presented a liability for the principal payable under the Revolver in the amount of \$85,092,695 and \$76,259,621, respectively, on its consolidated balance sheet which excludes amounts that IDC has agreed to pay.

Unless the obligations under the Revolver are accelerated, the Revolver matures on August 31, 2025 (the "Revolver Maturity Date"). On the Revolver Maturity Date all outstanding balances on the Revolver are due and payable. There are no scheduled principal payments on the Revolver prior to the Revolver Maturity Date. The Company may prepay amounts owed under the Revolver at any time prior to the Revolver Maturity Date without penalty. The Revolver is collateralized by substantially all assets of the Company and IDC.

On November 15, 2022 certain terms of the credit agreement for the Revolver were amended (the "2022 Revolver Amendment"). Pursuant to the 2022 Revolver Amendment, borrowings under the Revolver bear interest at the Secured Overnight Financing Rate ("SOFR") or a Base Rate plus an Applicable Margin. The Base Rate is a fluctuating daily rate per annum equal to the highest of (a) the rate of interest announced by the Bank of Montreal from time to time as its prime rate for such day (with any change in such rate announced by Bank of Montreal taking effect at the opening of business on the day specified in the public announcement of such change); (b) the Federal Funds Rate for such day, plus 0.50%; or (c) the SOFR Rate (as defined in the credit agreement for the Revolver) for a one month Interest Period (as defined in the credit agreement for the Revolver), plus 1.00%.

Borrowings under the Revolver (as amended on November 15, 2022) are classified as one of the following:

- SOFR Revolving Credit Loans
- SOFR FILO ("first-in-last-out") Loans
- Base Rate Revolving Credit Loans
- Base Rate FILO Loans
- Swing-Line Loans

**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**Note 9: Debt** (cont.)

Applicable Margins for each loan type are as follows:

Average Availability	SOFR Revolving Credit Loans	Base Rate Revolving Credit Loans	SOFR FILO Loans	Base Rate FILO Loans
Greater than \$83,333,333.33	1.75%	0.75%	2.75%	1.75%
Greater than \$41,666,666.66 but less than or equal to \$83,333,333.33	2.00%	1.00%	3.00%	2.00%
Less than \$41,666,666.66	2.25%	1.25%	3.25%	2.25%

Swing Line Loans on the Revolver bear interest at a rate equal to the Base Rate plus the Applicable Margin.

On May 5, 2023, the Company entered into the Third Amendment to the Revolver. The Third Amendment to the Revolver was treated as a modification after the Company's analysis according to ASC 470 — *Debt* ("ASC 470") and as such, the Company is deferring the amendment fee and will amortize as an adjustment to interest expense over the remaining term, along with any existing unamortized costs using the effective interest method. The amendment fee was \$750,000, split evenly between IDC and the Company. Fees paid to third parties are expensed as incurred, and no gain or loss was recorded on the modification.

The Third Amendment increased the applicable margin thresholds for various products as follows:

Average Availability	SOFR Revolving Credit Loans	Base Rate Revolving Credit Loans	SOFR FILO Loans	Base Rate FILO Loans
Greater than \$83,333,333.33	2.25%	1.25%	3.25%	2.25%
Greater than \$41,666,666.66 but less than or equal to \$83,333,333.33	2.50%	1.50%	3.50%	2.50%
Less than \$41,666,666.66	2.75%	1.75%	3.75%	2.75%

After the Company and IDC deliver financial statements and a Compliance Certificate for the trailing four consecutive fiscal quarters ("Measurement period") ending March 31, 2024 or the first Measurement Period after March 31, 2024, the applicable margin thresholds will revert back to the original thresholds.

The Fourth Amendment and Forbearance Agreement, dated as of August 31, 2023, reduced the available borrowing capacity to \$100,000,000. The applicable Margins were raised to: (i) 4.75% per annum with respect to SOFR Revolving Credit Loans, (ii) 3.75% per annum with respect to Base Rate Revolving Credit Loans, (iii) 5.75% per annum with respect to SOFR FILO Loans, and (iv) 4.75% per annum with respect to Base Rate FILO Loans.

The Fourth Amendment and Forbearance Agreement was treated as a debt extinguishment after the Company's analysis according to ASC 470 and a loss of \$189,951 is included in "loss on debt extinguishment" in the accompanying consolidated statements of operations. The total amendment fee was \$1,550,000 and the structuring fee was \$100,000, split evenly between IDC and the Company, and will be amortized as an adjustment to interest expense over the remaining term, along with any existing unamortized costs using the effective interest method. Fees paid other than to the lenders are expensed as incurred.

The Fourth Amendment and Forbearance Agreement is contingent upon completion of the sale of securities and the consummation of the Merger; the payment of all restructuring fees of Lyneer and IDC and the expenses of the lender at the closing of the Merger; the pre-payment by Lyneer of \$4,000,000 under its new revolving credit facility discussed below; and the repayment by IDC of approximately \$29,000,000 principal amount of the Revolver from the proceeds it receives in the Merger. Pursuant to the terms of the Fourth Amendment and Forbearance Agreement, the remaining amounts owed under the Revolver will be split between IDC and Lyneer at the closing of the Merger, with Lyneer retaining availability of up to \$40,000,000 under a new revolving credit facility having terms similar to those under the existing Revolver. In addition, pursuant to the terms of the Fourth Amendment and Forbearance Agreement, IDC has agreed to apply a portion of the cash proceeds it receives in the Merger to pay down the Term Note. Any remaining balances on the Term Note, the Seller Notes and the Earnout Notes

**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**Note 9: Debt** (cont.)

will be assumed by IDC, and Lyneer will have no liability or responsibility for the payment of those obligations. Following the restructuring of the Lyneer and IDC debt obligations contemplated by the Forbearance Agreement, and repayment of the Merger Note, Lyneer will have no other debt other than its outstanding indebtedness under its new revolving credit facility. However, pursuant to the terms of the Fourth Amendment and Forbearance Agreement, notwithstanding the one-year term of the new credit facility, Lyneer will be required to refinance its obligations under new revolving credit facility with either the existing lender or a new lender on or prior to November 17, 2023. Total available borrowing capacity on the Revolver as of December 31, 2023 was over-advanced by \$22,518,585.

The table below summarizes the interest rates, per annum, on each loan type as of December 31, 2023 and 2022, respectively.

	As of December 31,	
	2023	2022
Base Rate Revolving Credit Loans	12.25%	8.75%
Swing-Line Loans	—	8.75%
Base Rate FILO Loans	11.21%	7.49%
SOFR Revolving Credit Loans	10.21%	6.49%

The Company must pay a fee for unused borrowing capacity on the Revolver in an amount calculated at a rate of 0.25% per annum of the unused amount.

The Company has the ability to use a portion of the Revolver for up to \$10,000,000 for a standby or documentary letter of credit. Amounts utilized for letters of credit reduce the co-borrowers' borrowing availability under the Revolver. During the year ended December 31, 2023 and as of that date the Company has obtained a standby letter of credit in the amount of \$8,000,000 which was required by the Non-Related Party PEO (see also Note 14: *Concentrations*). The Company is required to pay a fronting fee of 0.125% per annum on the amounts of letter of credit provided, in addition to a minimum usage fee determined by the credit agreement for the Revolver.

Total availability on the Revolver on December 31, 2023 to which the Company and the other co-borrowers had access was \$(22,518,585).

The Revolver requires that the co-borrowers comply with certain financial and non-financial covenants. The Revolver requires that the Company together with IDC meet certain financial covenants which are generally calculated with reference to the financial performance, asset balances, and borrowings of IDC together with all of its consolidated subsidiaries (including the Company). The financial covenants include:

- A Consolidated Fixed Charge Coverage Ratio (the "FCCR")
- A Consolidated Senior Leverage Ratio (the "SLR")
- A Consolidated Total Leverage Ratio (the "TLR")

Under the terms of the Revolver, the Company is prohibited from making dividends or distributions to owners who are not also co-borrowers on the Revolver.

Pursuant to the credit agreement for the Revolver, co-borrowers are required to make a mandatory principal prepayment in the event cash proceeds are received from the following (unless specifically authorized by terms of the Revolver): issuance of equity securities, incurrence of additional debt and/or disposition of assets.

Pursuant to the credit agreement for the Revolver, upon the receipt of certain payments outside of ordinary course of business, the co-borrowers are required to remit such proceeds to the Revolver Lenders as a prepayment.

**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**Note 9: Debt** (cont.)

On January 16, 2024, the Company entered into the Limited Consent and Fifth Amendment and Forbearance Agreement (the “Fifth Amendment and Forbearance Agreement”) with its lender, under which the lender, waived all existing events of default as of the date of the agreement and agreed to forbear from exercising its rights and remedies with respect to such events of default under the Revolver through March 15, 2024, revising financial ratios with the first ratio being due March 31, 2024, and entering into a schedule for repayment of the over-advance. The Fifth Amendment and Forbearance Agreement represents a limited waiver and requires the Company to complete certain actions subsequent to completion of the proposed Merger and the public offering. Following the closing of the proposed Merger, issuance of the Merger Note and successfully raising \$20 million of gross proceeds, the Company will be required to direct a portion of the proceeds raised to specified creditors, execute limited pledge and guarantee agreements and provide other customary covenants. The events of default were waived for a limited period until March 15, 2024, at which time the Company is required to refinance or restructure the credit facility, which did not occur. The Fifth Amendment and Forbearance Agreement contains certain customary financial and non-financial covenants. See Note 3: *Going Concern* for more information with respect to the Company’s forecasted compliance with such covenants.

The financial covenant ratios per the Fifth Amendment and Forbearance Agreement are summarized in the table below:

<b>Measurement Period Ending</b>	<b>FCCR (less than)</b>	<b>SLR (greater than)</b>	<b>TLR (greater than)</b>
March 31, 2024 – June 30, 2024	1.10:1.00	5.25:1.00	10.75:1.00
July 31, 2024 – September 30, 2024	1.10:1.00	5.00:1.00	10.50:1.00
October 31, 2024 – November 30, 2024	1.10:1.00	4.75:1.00	10.25:1.00
December 31, 2024	1.10:1.00	3.00:1.00	4.50:1.00

The effectiveness of the forbearance agreement is conditioned, upon other things, (i) a pledge by Prateek Gattani of certain real property interests personally held by him, (ii) an amendment to the Revolver, (iii) an amendment to the indebtedness agreement with the lender under the term loan, (iv) an executed consent to the Lenders’ Intercreditor Agreement, (v) an updated budget, and (vi) other customary closing conditions. The lender of the Revolver consented to the transfer of ownership of the equity of Lyneer conditioned upon: (i) use of proceeds, (ii) a limited guaranty and pledge of SeqLL’s ownership of the equity of Lyneer upon the effective date of the Merger, (iii) a pledge of SeqLL’s note to IDC in the amount of \$18,750,000, and (iv) customary closing conditions.

The Revolver contains certain customary financial and non-financial covenants that the Company is required to comply with. As a result of the Fifth Amendment and Forbearance Agreement, the Company was in compliance with the covenants of the Revolver as of December 31, 2023; however, subsequent to March 15, 2024, the Company was not in compliance.

**Term Note**

On August 31, 2021, the Company and IDC as co-borrowers entered into a Term Note in the amount of \$30,300,000. The proceeds of this loan were primarily used to finance the acquisition of Lyneer by IDC in August 2021. The Term Note matures on February 28, 2026 at which time all outstanding balances are due and payable. There are no scheduled principal payments on the Term Note prior to its maturity date. The Term Note is subordinated to the Revolver and bears a stated rate of 14% per annum.

As of December 31, 2023 and December 31, 2022, the Company has recognized liability balances on the Term Note of \$34,223,489, and \$31,875,297, respectively.

**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**Note 9: Debt** (cont.)

The Term Note requires mandatory prepayment of principal upon the occurrence of certain events (discussed in additional detail below in this subsection) and permits optional prepayment. Both mandatory and optional prepayments require the payment of a prepayment premium calculated as follows:

<u>Date of Optional or Mandatory Prepayment</u>	<u>Prepayment Premium</u>
Prior to August 31, 2022	Prepaid principal balance of the Term Note multiplied by 3.0%
On or after August 31, 2022 and prior to August 31, 2023	Prepaid principal balance of the Term Note multiplied by 2.0%
On or after August 31, 2023 and prior to August 31, 2024	Prepaid principal balance of the Term Note multiplied by 1.0%

The Term Note agreement requires mandatory prepayment of all outstanding principal upon occurrence of a Change in Control, other than as expressly set forth in the Sixth Amendment and Forbearance Agreement (defined below), or an Initial Public Offering, other than the Lyneer IPO Transactions, as defined in the Term Note agreement, or an acceleration of the loans.

Pursuant to the Term Note, the co-borrowers are required to make a mandatory principal prepayment in the event cash proceeds are received in the following circumstances (unless specifically authorized by the terms of the Term Note): issuance of equity securities, incurrence of additional debt or disposition of assets.

Pursuant to the Term Note, upon the receipt of certain payments outside of ordinary course of business, the co-borrowers are required to remit such proceeds to the Term Note Lenders as a prepayment.

The Term Note includes certain financial and non-financial covenants. The Term Note requires that the Company, together with IDC, meet certain financial covenants which are generally calculated with reference to the financial performance, asset balances, and borrowings of IDC together with all its consolidated subsidiaries. The financial covenants include:

- The FCCR
- The SLR
- The TLR

On May 5, 2023, the Third Amendment to the Term Note (the “Third Amendment”) revised the stated interest rate which may vary between 14% and 16% per annum, with the cash portion of the stated rate varying from 10% to 11% per annum, and the PIK portion varying from 4% to 5% per annum, based on specified financial ratios and similar metrics.

The Third Amendment was treated as a modification after the Company’s analysis according to ASC 470 and as such, the Company is deferring the \$100,000 amendment fee and will amortize as an adjustment to interest expense over the remaining term, along with any existing unamortized costs using the effective interest method. IDC paid the \$100,000 amendment fee which is included in “capital contribution” on the accompanying consolidated statements of mezzanine capital and members’ capital (deficit). Fees paid to third parties are expensed as incurred, and no gain or loss was recorded on the modification.

The Term Note was further amended on June 30, 2023 (the “Fourth Amendment”) to defer the July 1, 2023 Cash Interest payment until August 1, 2023. The Company did not make this payment due to the notice received from the Revolver’s administrative agent of the lender restricting payment on the Term Note. \$15,000 was paid with respect to the Fourth Amendment.

On August 4, 2023, the Company received notice from the administrative agent of the Term Note that it was in default of the loan agreement due to non-payment of the August 1, 2023 interest payment due and the default rate became effective which is the stated rate plus 2% per annum.

**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**Note 9: Debt** (cont.)

The Term Note was further amended and provided a forbearance on August 31, 2023 (the “Fifth Amendment and Forbearance Agreement”). The lender waived all existing events of default as of the date of the Fifth Amendment and Forbearance Agreement and agreed to forbear from exercising its rights and remedies through November 17, 2023. The Fifth Agreement and Forbearance Agreement increased the stated interest rate to 19% per annum and the cash portion of the stated rate increased to 14% per annum. The Fifth Amendment and Forbearance Agreement has the same contingencies as the Revolver Forbearance Agreement.

The Fifth Amendment was treated as a modification after the Company’s analysis according to ASC 470 and as such, the Company will amortize any existing unamortized costs using the effective interest method, as an adjustment to interest expense over the remaining term. The structuring fee of \$32,500 and the total forbearance fee of \$325,000, are the responsibility of IDC, which is included in “capital contribution” on the accompanying consolidated statements of mezzanine capital and members’ deficit. These fees were not paid and as such, was added to the principal of the Term Note. Fees paid other than to the lenders are expensed as incurred, and no gain or loss was recorded on the modification.

On January 16, 2024, the Company entered into the Limited Consent and Sixth Amendment and Forbearance Agreement (the “Sixth Amendment and Forbearance Agreement”) with its lender under the Term Note under which the lender waived all existing events of default and agreed to forbear from exercising its rights and remedies with respect to such events of default under the Term Note through March 15, 2024. The Sixth Amendment and Forbearance Agreement has the same contingencies as the Revolver’s Fifth Amendment and Forbearance Agreement.

The financial covenant ratios per the Sixth Amendment and Forbearance Agreement are summarized in the table below:

<b>Measurement Period Ending</b>	<b>FCCR (less than)</b>	<b>SLR (greater than)</b>	<b>TLR (greater than)</b>
March 31, 2024 – June 30, 2024	1.10:1.00	5.25:1.00	10.75:1.00
July 31, 2024 – September 30, 2024	1.10:1.00	5.00:1.00	10.50:1.00
October 31, 2024 – November 30, 2024	1.10:1.00	4.75:1.00	10.25:1.00
December 31, 2024	1.10:1.00	3.00:1.00	4.50:1.00

Under the terms of the credit agreement for the Term Note the Company is prohibited from making dividends or distributions to owners who are not also co-borrowers on the Term Note.

The Term Note contains certain customary financial and non-financial covenants that the Company is required to comply with. See Note 3: *Going Concern* for more information with respect to the Company’s forecasted compliance with such covenants.

**Seller Notes**

As part of the purchase price consideration for the Transaction, the Company and IDC as co-borrowers issued various Seller Notes to former owners totaling \$15,750,000. Payments on the Seller Notes are due in quarterly installments of \$1,575,000, and \$3,150,000 due at their amended maturity date of April 30, 2024, and bear interest at an amended fixed rate of 11.25% per annum. The Seller Notes represent unsecured borrowings and are subordinated to the Revolver and to the Term Note.

The Company has recognized Seller Note liability balances \$7,875,000 as of both December 31, 2023 and December 31, 2022.

**Earnout Notes**

As contingent consideration milestones are met in connection with the Transaction Agreement, the Company can elect to pay the obligation in cash or issue notes payable. To date, the Company and IDC as co-borrowers have issued nine notes payable with an aggregate value of \$13,494,133. Payments on each of the Earnout Notes are due

**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**Note 9: Debt** (cont.)

in quarterly installments through their amended maturity date of January 31, 2025 and each note bears an amended stated interest rate of 11.25% per annum. The Earnout Notes are subordinated to the Revolver and Term Note and represent unsecured borrowings.

The Earnout Note liability was \$13,494,133 as of both December 31, 2023 and December 31, 2022.

**2023 and 2024 Amendments to Seller and Earnout Notes**

The Company did not make the Seller Note and Earnout Note principal and interest payments due during 2023. On May 14, 2023, the Company signed an amendment (the “Omnibus Amendment”) to defer the missed Seller Note and Earnout Note payments through the amendment date until their amended maturity dates of April 30, 2024 and January 31, 2025, respectively. The amendment changed the interest rate of the Seller Note and the Earnout Notes to 11.25% per annum from 6.25% for all remaining payments.

The Omnibus Amendment was treated as a modification after the Company’s analysis according to ASC 470 — *Debt* and as such, the Company is deferring the \$40,000 amendment fee and will amortize as an adjustment to interest expense over the remaining term, along with any existing unamortized costs using the effective interest method. Lyneer paid the \$40,000 amendment fee and will be reimbursed from IDC. These fees were included in “capital contribution” on the accompanying consolidated statements of mezzanine capital and members’ capital (deficit). Fees paid to third parties are expensed as incurred, and no gain or loss was recorded on the modification.

On January 16, 2024, the Company signed the Second Omnibus agreement to defer the missed July 31, 2023 and October 31, 2023 principal and interest payments until February 28, 2024, in addition to the payment of \$1,575,000, along with accrued interest, scheduled for payment on January 31, 2024, which shall now be due and payable on February 28, 2024. The Company missed the payment due on February 28, 2024.

**Debt Allocation Agreement**

Lyneer and IDC entered into a debt allocation agreement (the “Allocation Agreement”) dated as of December 31, 2023, which specifies and allocates responsibility for repaying (or refinancing) the joint-and-several debt between Lyneer and IDC. Upon entering into the Allocation Agreement with IDC, the Company reassessed its accounting for joint-and-several liabilities under ASC 405-40. As a result of IDC’s financial instability, Lyneer is expecting to repay all of IDC’s Assumed Debt and therefore concluded the Company cannot deconsolidate the debt.

As previously disclosed, the Company is not in compliance with its debt obligations upon expiration on March 15, 2024 of lender waivers obtained. The Company has accordingly presented all of its joint-and-several debt obligations as current liabilities at December 31, 2023.

Subsequent to the executed amendments of the Company’s debt obligations described herein, the future minimum principal payments on the Company’s outstanding debt are as follows:

	<b>As of December 31, 2023</b>
2024	\$ 140,685,317
2025	—
2026	—
2027	—
2028	—
Thereafter	—
<b>Total</b>	<b>\$ 140,685,317</b>

**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**Note 9: Debt** (cont.)*Interest Expense*

The Company recognized total interest expense of \$17,538,816 and \$10,008,896 during the years ended December 31, 2023 and 2022, respectively. \$673,322 and \$405,287 of deferred financing costs were recognized as a component of “interest expense” on the accompanying consolidated statements of operations for the years ended December 31, 2023 and 2022, respectively.

**Note 10: Accrued Expenses and Other Current Liabilities**

Accrued expenses and other current liabilities consist of the following:

	December 31, 2023	December 31, 2022
Accrued wages and salaries	\$ 5,372,929	\$ 5,196,895
Accrued commissions and bonuses	549,313	745,357
Accrued interest	3,001,362	357,535
Income tax payable	—	66,317
Earnout due to sellers – current portion	3,474,954	—
Accrued other expenses and current liabilities	3,645,537	1,107,005
<b>Total accrued expenses and other current liabilities</b>	<b>\$ 16,044,095</b>	<b>\$ 7,473,109</b>

**Note 11: Retirement Plan**

The Company maintains a 401(k) plan for qualified employees. The plan covers substantially all full-time employees of the Company who meet certain age and length of service requirements. There is no requirement for the Company to match employee contributions to the plan. The Company did not contribute to the plan during the years ended December 31, 2023 and 2022.

**Note 12: Commitments and Contingencies***Litigation*

The Company is subject to lawsuits and other claims arising in the ordinary course of business. The Company is required to assess the likelihood of any adverse judgments or outcomes to these matters as well as potential ranges of probable losses. A determination of the amount of accrual required, if any, for these contingencies is made after careful analysis of each matter. The required accrual may change in the future due to new developments in a particular matter or changes in approach, such as a change in settlement strategy in dealing with these matters. With respect to material matters for which the Company believes an unfavorable outcome is reasonably possible, the Company has disclosed the nature of the matter and an estimate of potential exposure. The Company believes that the loss for any other litigation matters and claims that are reasonably possible to occur will not have a material adverse effect on the Company’s results of operations, financial position or cash flows, although such litigation is subject to certain inherent uncertainties.

On June 16, 2021, a complaint was filed in the Superior Court of New Jersey Law Division, Middlesex County. The complaint alleges a former minor employee (who obtained employment by providing false information) was injured on October 15, 2020 at the Co-Defendant’s worksite. Mediation was unsuccessful, and the matter is listed for trial on April 22, 2024. The Company believes it has issues for appeal, but believes it is probable to receive an unfavorable outcome and has accrued \$875,000 with respect to this complaint, which is recognized in “accrued expenses and other current liabilities” on the accompanying consolidated balance sheets.



**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**Note 13: Fair Value Measurements**

***Liabilities Measured at Fair Value on a Recurring Basis***

Contingent consideration is classified within level 3 of the fair value hierarchy because the valuation requires assumptions that are both significant and unobservable. The contingent consideration valuation is determined using a Monte Carlo simulation, with key inputs being the standard deviation applied to the Company’s revenues, revenue multiple, and gross profit discount rate.

Significant unobservable inputs used in the determination of the Company’s contingent consideration liabilities as of December 31, 2022 consisted of a gross profit discount rate of 11.20% and a gross profit volatility (standard deviation) of 30%.

The Company believes its assumptions used to determine the fair value of its contingent consideration liabilities are reasonable. If different assumptions were used, particularly with respect to forecasted revenues, gross profit discount rates, and gross profit volatility, different estimates of fair value may result.

The Company’s liabilities measured at fair value on a recurring basis are as follows:

	Level	December 31, 2022
<b>Liabilities</b>		
Contingent consideration liability – non-current	3	\$ 7,100,000

The measurement period for the Company’s contingent consideration arrangements expired on August 31, 2023, at which time amounts owed by the Company to its former owners were computed and represent fixed amounts of \$6,949,907. As of the final measurement period, the gross profit discount rate was 13.4% and the gross profit volatility (standard deviation) was 25.0%.

A summary of the activities of Level 3 fair value measurements is as follows:

	December 31, 2023	December 31, 2022
Beginning balance	\$ 7,100,000	\$ 19,700,000
Issuance of Earnout Notes	—	(13,494,133)
Change in fair value	(150,093)	894,133
Transfer to purchase consideration	(6,949,907)	—
<b>Ending balance</b>	<b>\$ —</b>	<b>\$ 7,100,000</b>

See Note 17: *Related Party Transactions* for a discussion of the Company’s contingent consideration liabilities attributed to LMH.

The Company did not have any transfers between Levels 2 and 3 within the fair value hierarchy during the years ended December 31, 2023 and 2022.

On January 16, 2024, the Company converted the Earnout liability to Subordinated promissory notes. See Note 19: *Subsequent Events* for further discussion.

***Financial Instruments not Carried at Fair Value***

The Carrying values of the Company’s cash and cash equivalents approximated their fair values due to their short-term maturities. The carrying values of other current assets and liabilities including accounts receivable, accounts payable, accrued expenses and other current liabilities approximated their fair value due to their short-term maturities.

**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**Note 13: Fair Value Measurements (cont.)**

As of December 31, 2023 and 2022 the Company's variable rate indebtedness consists of the Revolver which bears interest at variable rates (SOFR or a Base Rate plus a margin, and LIBOR or a Base Rate plus a margin on December 31, 2023 and 2022, respectively). The carrying value of the Company's recognized borrowings under the Revolver approximates their fair value as the debt is at variable rates currently available and resets on a monthly basis.

The fair value of the Company's fixed rate debt, which consists of the Term Note, the Seller Note and the Earnout Notes, as of December 31, 2023 and 2022 is estimated using Level 2 inputs by discounting future cash flows using estimated rates which the Company believes approximate current market interest rate for similar obligations.

A summary of the carrying value and fair value of the Company's debt is as follows:

	December 31, 2023		December 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Variable Rate Debt	\$ 85,092,697	\$ 85,092,697	\$ 76,259,621	\$ 76,259,621
Fixed Rate Debt	\$ 55,592,622	\$ 55,100,000	\$ 53,244,430	\$ 50,900,000

**Note 14: Concentrations of Credit Risk**

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable.

***Cash in Excess of FDIC Insured Limits***

The Company places its cash and cash equivalents with financial institutions which it believes are of high creditworthiness and where deposits are insured by the United States Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. The Company's cash balances in excess of FDIC insured limits amounted to \$1,659,914 and \$1,463,967 as of December 31, 2023 and December 31, 2022, respectively.

The Company has not experienced any losses with regard to its bank accounts and believes it does not pose a significant credit risk to the Company.

***Other Concentrations***

As of December 31, 2023 and December 31, 2022, the Company has a deposit in the amount of \$8,000,000 with a professional employer organization ("PEO"). The PEO is the employer of record for substantially all of the Company's engagement professionals, and as such certain costs of revenue are paid to the PEO and subsequently distributed to Company engagement professionals.

**Note 15: Members' Capital and Mezzanine Capital**

As of December 31, 2023 and December 31, 2022, 90% of the outstanding membership units of the Company were held by IDC, and 10% were held by LMH.

Upon the occurrence of certain triggering events as defined in the Company's operating agreement, LMH has the right to require IDC to purchase its membership units in the Company. The Company has determined the LMH Units to be redeemable upon an event that is outside the control of the Company, and accordingly has classified the LMH Units as a component of mezzanine capital and outside of permanent equity. See Note 16: *Redeemable Units* for additional information.

Accordingly, these ownership interests were recorded in mezzanine capital and subject to subsequent measurement under the guidance provided under ASC Topic 480 — *Distinguishing Liabilities from Equity* ("ASC 480"). Pursuant to ASC 480, contingently redeemable equity instruments that are not redeemable as of the

**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**Note 15: Members' Capital and Mezzanine Capital (cont.)**

balance sheet date but probable of becoming redeemable in the future should be accreted to their redemption value either immediately or ratably; the Company has elected to recognize changes in redemption value immediately upon the determination that an outstanding instrument is probable of becoming redeemable in the future.

***Voting and Similar Rights***

Under the August 31, 2021 Operating Agreement, the Company is managed by and under the direction of a Board of Managers. The Board of Managers is comprised of three Managers. Under the August 31, 2021 Operating Agreement, IDC has the right to appoint and remove two Managers. Under the August 31, 2021 Operating Agreement, LMH has the right to appoint and remove one Manager, provided that such Manager is reasonably acceptable to IDC. LMH's right to appoint a Manager under the August 31, 2021 Operating Agreement will terminate if LMH's aggregate ownership interest in Lyneer Investments falls below 5% of the outstanding ownership interests of that entity.

***Allocation of Profits and Losses***

Net income and losses are allocated to Members' capital accounts in accordance with the terms of the August 31, 2021 Operating Agreement which generally provides that these items are allocated in proportion to each Member's percentage ownership interest in the Company. Distributions to the Members are made at the discretion of the Board of Managers and in accordance with the terms of the August 31, 2021 Operating Agreement.

***Distributions***

Distributions to the Members are made at the sole discretion of the Board of Managers, except as otherwise provided in the August 31, 2021 Operating Agreement. As discussed in Note 9: *Debt* — certain of the Company's credit agreements prohibit or otherwise place restrictions on the payment of distributions. Distributions, if any, must be made in accordance with the August 31, 2021 Operating Agreement which, generally, provides for authorized distributions to be made in accordance with the Members' percentage interests.

***IDC Call Option***

Pursuant to the August 31, 2021 Operating Agreement IDC has the right, but not the obligation to purchase 100% of LMH's interest in the Company (the "IDC Call") at any time during the period from September 1, 2023 to December 31, 2023 (the "Put-Call Period") or upon the occurrence of any of the following on or prior to those dates (collectively, the "Triggering Events" and each, individually a "Triggering Event"):

- The Bankruptcy (as defined in the August 31, 2021 Operating Agreement) of either the Company or IDC
- Upon the acceleration of the obligations owing under the Revolver loan documents
- Upon the acceleration of the obligations owing under the Term Note loan documents
- A Sale of the Company (as defined in the August 31, 2021 Operating Agreement) or similar transaction with respect to IDC

***Involuntary Transfer Call Option***

Under certain defined conditions stemming from the potential involuntary transfer of LMH or IDC's units due to death, disability, bankruptcy, involuntary dissolution, or divorce that would otherwise cause IDC or LMH's interest to transfer to a third party (a "Potential Involuntary Transfer"), then the Company has the right but not the obligation to purchase the units that would otherwise transfer to an Interested Party (as defined in the August 31, 2021 Operating Agreement) at an amount equal to the fair market value of these units (the "Involuntary Transfer Call"). An Involuntary Transfer Call of IDC's units must be approved by the non-IDC holders of the Company

**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**Note 15: Members' Capital and Mezzanine Capital (cont.)**

interests, and an Involuntary Transfer Call of LMH's units must be approved by the holders of the Company's units other than LMH. Because the holders of the respective units do not control the Company decision to repurchase their units in the case of an Involuntary Transfer Call, and the Company does not have an obligation to repurchase IDC's units in the case of a Potential Involuntary Transfer, the Company has concluded that the presence of the right to exercise an Involuntary Transfer Call does not preclude the presentation of the interests held by IDC as members' capital (or "permanent" capital) within the accompanying consolidated balance sheets and the accompanying consolidated statements of changes in mezzanine capital and members' capital (deficit) as of December 31, 2023 and 2022.

**Note 16: Redeemable Units**

Under the August 31, 2021 Operating Agreement LMH has the right, but not the obligation to require IDC to purchase LMH's interest in the Company (the "LMH Put") upon the occurrence of any Triggering Event, or during the Put-Call Period.

The Company has determined that the presence of the LMH Put has caused the LMH Units to be redeemable upon an event that is not entirely within the control of the Company and accordingly the Company has classified the LMH Units as a component of mezzanine capital in the accompanying consolidated financial statements as of December 31, 2023 and 2022.

Upon the exercise of the LMH Put or the IDC Call the amount payable to LMH is equal to the greater of the Fair Market Value of the LMH Units (as defined in the August 31, 2021 Operating Agreement) or \$9,500,000 plus an additional accrued amount equal to 5.25% per annum accruing ratably over a calendar year and commencing on August 31, 2021 and through the date of a timely put/call exercise notice (the "Put-Call Purchase Price").

Fair Market Value generally with respect to the Put-Call Purchase Price is the amount determined between LMH and IDC in good faith to be the market value of the LMH Units, unless IDC and LMH are unable to agree on this value, in which case pursuant to the August 31, 2021 Operating Agreement, the amount will be determined by an independent appraiser.

Upon exercise of the IDC Call or the LMH Put, IDC is required to issue to LMH an unsecured subordinated promissory note in the amount of the Put-Call Purchase Price pursuant to the terms prescribed by August 31, 2021 Operating Agreement (the "Put-Call Note"). The Put-Call Note entitles the holder to payment of 50% of outstanding principal six months after issuance with the remaining 50% payable in six equal quarterly payments beginning on the last date of each successive calendar quarter following the initial 50% payment, with the last payment of principal due and payable on the Put-Call Note's maturity date unless the payment of the Put-Call Note is otherwise accelerated pursuant to its terms. The Put-Call Note provides for the acceleration of payment principal under certain conditions, including upon a change of control, as defined. The August 31, 2021 Operating Agreement provides that the Put-Call Note, if issued, will bear interest at a stated annual interest rate of 5.25% which is payable quarterly in arrears.

***Redemption Requirements***

LMH may put the LMH Units to IDC upon the occurrence of a Triggering Event or during the Put-Call Period. If redeemed, the redemption amount is the greater of the Fair Market Value of the LMH Units or \$9,500,000 plus an additional amount calculated at a rate of 5.25% per annum from August 31, 2021 through the date of the redemption request. The Put-Call Purchase Price is payable by IDC and will be paid by the issuance of the Put-Call Notes. The Put-Call period was extended until February 29, 2024. On February 28, 2024, LMH exercised its right to put the LMH Units to IDC.

**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**Note 17: Related Party Transactions**

***Transactions with Lyneer Management Holdings***

LMH is a non-controlling member of the Company with a 10% ownership interest. Two of the Company's officers, specifically its CEO and CFO, each own 44.5% of LMH, respectively.

As part of the purchase consideration for the Transaction, the Company and IDC as co-borrowers entered into Seller Notes payable to LMH in the amount of \$2,520,000. Interest expense incurred on the Seller Notes to LMH totaled \$0 and \$125,869 for the years ended December 31, 2023 and 2022, respectively. No Seller Notes were payable to LMH as of December 31, 2023 or December 31, 2022.

On November 15, 2022, the Company and IDC as co-borrowers issued Earnout Notes to LMH with total balances of \$5,127,218. Earnout Notes payable to LMH was \$5,127,218 as of December 31, 2023, of which \$5,127,218 was included in "notes payable, current portion — related parties" in the accompanying consolidated balance sheets. Earnout Notes payable to LMH was \$5,127,218 as of December 31, 2022, of which \$2,563,609 was included in "notes payable, current portion — related parties" and "notes payable, long term — related parties" in the accompanying consolidated balance sheets. Interest expense incurred on the Earnout Notes to LMH totaled \$526,156 and \$28,248 for the years ended December 31, 2023 and 2022, respectively.

Total amounts due from LMH under the indemnification provisions of the Transaction Agreement amounted to \$750,000 and \$503,160 as of December 31, 2023 and December 31, 2022, respectively, and are included in "due from related parties" in the accompanying consolidated balance sheets. Refer to Note 1: *Organization, Nature of Operations and Basis of Presentation* for additional information.

The balance of the earnout liability and estimated contingent consideration liability payable to LMH as of December 31, 2023 and December 31, 2022, was \$2,015,473 and \$2,059,000, respectively, all of which is included in "other liabilities" on the accompanying consolidated balance sheets.

***Transactions with IDC***

The Company and IDC are co-borrowers and jointly and severally liable for principal and interest payments under the Revolver, the Term Note, the Seller Notes and the Earnout Notes. In the case of certain of those obligations IDC generally makes certain interest and principal payments to the lenders and collects reimbursement from the Company. For interest payments of that nature, the Company recognizes interest expense when interest is incurred under the relevant loan agreement and a corresponding payable to IDC, which is subsequently removed from the Company's consolidated balance sheet upon Company's remittance of the reimbursement funds to IDC. Additionally, when principal payments are made by IDC the Company recognizes a reduction of the associated loan balance, with a corresponding increase in the payable to IDC which is then reduced upon the Company's payment of funds to IDC.

The Company and IDC file consolidated income tax returns in certain state and local jurisdictions. In connection with this arrangement the Company has recorded a liability payable to IDC for taxes payable by IDC which represent taxes attributable to the Company's operations included on consolidated state and local income tax returns filed by IDC. These amounts are determined by determining the Company's taxable income multiplied by the applicable tax rate. Amounts payable to IDC of this nature amounted to \$522,472 and \$402,814 as of December 31, 2023 and December 31, 2022, respectively, and are included in "due to related parties" on the accompanying consolidated balance sheets.

**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**Note 17: Related Party Transactions (cont.)**

Total amounts payable to IDC, including the above taxes payable to IDC, amounted to \$4,384,178 and \$6,651,064 as of December 31, 2023, and December 31, 2022, respectively and are included in “due to related parties” on the accompanying consolidated balance sheets. There are no formalized repayment terms.

During the year ended December 31, 2023, the Company included \$1,840,854 as an expense paid for by IDC and recorded as a deemed capital contribution to the Company. Of this amount, \$1,089,580 related to debt amendment fees and \$751,274 related to professional fees. Additionally, IDC agreed to reimburse certain expenses paid by the Company totaling \$1,359,609 also recorded as deemed capital contributions, by reducing the payable balance owed to IDC. Of this amount, \$1,319,609 related to professional fees and \$40,000 related to a debt amendment fee.

During the year ended December 31, 2022, the Company made a cash payment to LMH of \$2,221,722 which represented a payment made on behalf of IDC for IDC’s acquired interest in the Company under the Transaction Agreement. This amount was recorded as a deemed distribution to IDC and is included in “Transaction consideration paid on behalf of Parent” on the accompanying consolidated statement of changes in mezzanine capital and members’ capital (deficit).

***Advance to Officer***

The Company advanced \$400,000 to the CEO of the Company in 2022. The advance is repayable only upon receipt by the CEO of funds that will be owed to him by LMH upon LMH’s receipt of payment of all amounts owed to LMH. The advance does not bear interest. This advance is recorded in “due from related parties” on the accompanying consolidated balance sheets as of December 31, 2023 and December 31, 2022. The officer loan will be settled from a portion of the recapitalization proceeds at the closing of the Merger.

**Note 18: Income Taxes**

For the years ended December 31, 2023 and 2022, the Company recorded an income tax benefit of \$5,928,271 and \$808,430, respectively. The Company’s effective tax rate for the years ended December 31, 2023 and 2022 was 28.0% and 20.1%, respectively. The increase in effective tax rates between the periods was primarily due to state taxes and requested federal and state tax refunds.

Lyneer Investments files as a partnership for US federal income tax purposes and is considered a “pass-through” entity. As such, the taxable activities of Lyneer Investments are allocated to its two Members, IDC and LMH, both of which report those results on separate income tax returns. Lyneer Holdings files as a corporation for federal income tax purposes. As a single member LLC (owned 100% by Lyneer Holdings, a corporation), LSS is a disregarded entity for US federal tax income tax purposes and its activities are included on the corporate returns filed by Lyneer Holdings

IDC includes the activities and balances of the Company on designated IDC consolidated state and local income tax returns. In these returns, the Company’s income tax will be paid on returns filed by IDC. During the years ended December 31, 2023 and 2022, the Company recognized income tax expense of \$119,658 and \$402,814, respectively, representing the tax arising from the inclusion of the Company’s activities on IDC’s consolidated state and local returns, and a corresponding cumulative related party payable to IDC of \$522,472 and \$402,814 as of December 31, 2023 and 2022, respectively.

**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**Note 18: Income Taxes (cont.)**

The provision for income taxes consists of the following expenses (benefits):

	Year Ended December 31, 2023	Year Ended December 31, 2022
<b>Federal</b>		
Current	\$ (736,797)	\$ 1,097,788
Deferred	(3,923,706)	(1,711,728)
<b>State and Local</b>		
Current	(46,627)	539,107
Deferred	(1,221,141)	(733,597)
<b>Income Tax Benefit</b>	<b>\$ (5,928,271)</b>	<b>\$ (808,430)</b>

The provision for income taxes differs from the United States Federal statutory rate as follows:

	Year Ended December 31, 2023	Year Ended December 31, 2022
Tax benefit at federal statutory rate	21.0%	21.0%
State income taxes, net of federal benefit	5.6%	6.5%
Permanent differences	(3.1)%	(6.2)%
Other	4.5%	(1.3)%
<b>Effective income tax rate</b>	<b>28.0%</b>	<b>20.1%</b>

Deferred tax assets (liabilities) consist of the following:

	December 31, 2023	December 31, 2022
<b>Deferred tax assets:</b>		
Compensation	\$ —	\$ 28,975
Allowance for doubtful accounts	525,675	108,418
Business interest limit	5,993,430	1,961,350
Other	77,042	79,569
Accrued expenses	241,815	—
Property and equipment	112,294	47,269
<b>Total Deferred Tax Assets</b>	<b>6,950,256</b>	<b>2,225,581</b>
<b>Deferred tax liabilities:</b>		
Intangible assets	(1,707,646)	(2,127,817)
<b>Total Deferred Tax Liabilities</b>	<b>(1,707,646)</b>	<b>(2,127,817)</b>
<b>Net Deferred Tax Assets</b>	<b>\$ 5,242,610</b>	<b>\$ 97,764</b>

The Company has assessed the likelihood that deferred tax assets will be realized in accordance with the provisions of ASC Topic 740 — *Income Taxes* (“ASC 740”). ASC 740 requires that a valuation allowance be established when it is “more likely than not” that all, or a portion of, deferred tax assets will not be realized. The assessment considers all available positive or negative evidence, including the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies. After the performance of such reviews as of December 31, 2023 and 2022, management believes that the future realization of its deferred tax assets is more likely than not and, therefore, has not established a valuation allowance against any deferred tax assets as of those dates. An Internal Revenue Code Section 382 analysis has not yet been performed with respect to the potential limitation of tax attributes of the Merger as the Company does not know with certainty what the financial outcome of the Merger will be until the Merger is consummated. As such, we give full value to the deferred tax assets without adjusting for the Section 382 limitation. This amount could materially change depending on the closing of the transaction.

**LYNEER INVESTMENTS, LLC AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**Note 18: Income Taxes (cont.)**

Management has evaluated and concluded that there were no material uncertain tax positions requiring recognition in the Company's financial statements as of December 31, 2023 and 2022. The Company does not expect any significant changes in its unrecognized tax benefits within twelve months of the reporting date.

No tax audits were commenced or were in process during the years ended December 31, 2023 and 2022. No tax related interest or penalties were incurred during the years ended December 31, 2023 and 2022. The Company's federal, state and local income tax returns beginning with the year ended December 31, 2019 remain subject to examination.

**Note 19: Subsequent Events**

The Company has evaluated subsequent events through April 16, 2024, as detailed below.

***Revolver and Term Note***

On January 16, 2024, the lenders of the Revolver and the Term Note provided an extended forbearance under which the lender waived all existing events of default as of the date of the agreement and agreed to forbear from exercising its rights and remedies with respect to such events of default under the credit facilities through March 15, 2024, revised financial ratios, with the first ratio being due March 31, 2024, and entered into a schedule for repayment of the over-advance. The Company was not in compliance with its debt obligations upon expiration on March 15, 2024 for the Revolver and Term Note.

***Seller and Earnout Notes***

On January 16, 2024, the Company signed the Second Omnibus agreement to defer the missed July 31, 2023 and October 31, 2023 principal and interest payments until February 28, 2024, as well as the payment with accrued interest scheduled for January 31, 2024, which shall now be due and payable on February 28, 2024. The Company missed the payment due on February 28, 2024.

***Earnout Liability***

On January 16, 2024, the Company converted the Earnout Liability to Subordinated Promissory Notes. The Subordinated Promissory Notes have a maturity date of January 16, 2026. Principal payments are due in eight equal quarterly payments beginning on March 31, 2024. Interest accrues at a rate of 6.25% per annum and is payable in arrears on the last day of each calendar quarter commencing March 31, 2024. The Company missed the March 31, 2024, interest payment and the interest rate increased to the default rate of 11.25%.

***Redemption Requirements***

LMH and IDC entered into discussions to extend the Put-Call period held by LMH. As a result of the ongoing transaction with Atlantic, IDC did not formally extend the option until January 9, 2024, and then on February 28, 2024, LMH exercised the put option thereby putting its LLC units representing 10% of the Company to IDC for a note totaling approximately \$10.8 million which is expected to be issued prior to the completion of this offering.

The Company has evaluated this transaction and concluded it qualifies as a type 2 subsequent event in accordance with ASC Topic 855 — Subsequent Events (as defined in ASC 855-10-20) resulting from conditions that did not exist at December 31, 2023, specifically the extension was not granted until January 2024 by IDC.





**A T L A N T I C**  
INTERNATIONAL

(Currently SeqLL Inc.)

**\$20,000,000**

**2,000,000 Units**

**Each Unit consisting of:**

**One share of Common Stock**

**One Series A Warrant to purchase one share of Common Stock**

**One Series B Warrant to purchase one share of Common Stock**

**2,000,000 Pre-Funded Units**

**Each Pre-Funded Unit Consisting of:**

**One Pre-Funded Warrant to purchase one share of Common Stock**

**One Series A Warrant to purchase one share of Common Stock**

**One Series B Warrant to purchase one share of Common Stock**

**One share of Common Stock**

**Underlying Each Series A Warrant and Series B Warrant**

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PRELIMINARY PROSPECTUS

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*Sole Book-Running Manager*



, 2024

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**PART II****INFORMATION NOT REQUIRED IN PROSPECTUS****Item 13. Other Expenses of Issuance and Distribution.**

The following table indicates the expenses to be incurred in connection with the offering described in this registration statement, other than underwriting discounts and commissions, all of which will be paid by us. All amounts are estimated except the Securities and Exchange Commission registration fee, the Financial Industry Regulatory Authority, Inc., or FINRA, filing fee and the CBOE listing fee.

	<b>Amount to be Paid</b>
SEC registration fee	\$ 19,010
FINRA filing fee	26,375
The CBOE initial listing fee	25,000
Printing and engraving expenses	25,000
Accounting fees and expenses	15,000
Legal fees and expenses	350,000
Transfer agent and registrar fees and expenses	20,000
Miscellaneous fees and expenses	4,615
<b>Total</b>	<b>\$ 485,000</b>

**Item 14. Indemnification of Directors and Officers.**

Section 102 of the General Corporation Law of the State of Delaware permits a corporation to eliminate the personal liability of directors of a corporation to the corporation or its stockholders for monetary damages for a breach of fiduciary duty as a director, except for breaches of the director's duty of loyalty to the corporation or its stockholders, acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of a law, authorizations of the payments of a dividend or approval of a stock repurchase or redemption in violation of Delaware corporate law or for any transactions from which the director derived an improper personal benefit. Our certificate of incorporation will provide that no director will be liable to us or our stockholders for monetary damages for breach of fiduciary duties as a director, subject to the same exceptions as described above. We also expect to maintain standard insurance policies that provide coverage (1) to our directors and officers against loss arising from claims made by reason of breach of duty or other wrongful act and (2) to us with respect to indemnification payments we may make to such officers and directors.

Section 145 of the General Corporation Law of the State of Delaware provides that a corporation has the power to indemnify a director, officer, employee, or agent of the corporation and certain other persons serving at the request of the corporation in related capacities against expenses (including attorneys' fees), judgments, fines and amounts paid in settlements actually and reasonably incurred by the person in connection with a threatened, pending, or completed action, suit or proceeding to which he or she is or is threatened to be made a party by reason of such position, if such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, in any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful, except that, in the case of actions brought by or in the right of the corporation, indemnification is limited to expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with defense or settlement of such action or suit and no indemnification shall be made with respect to any claim, issue, or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or other adjudicating court determines that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper. In addition, to the extent that a present or former director or officer of a corporation has been successful on the merits or otherwise in defense of any action, suit, or proceeding described above (or claim, issue, or matter therein), such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith. Expenses (including attorneys' fees) incurred by an officer or director in defending any civil, criminal, administrative, or investigative action, suit, or proceeding may be advanced by the corporation upon receipt of an undertaking by such person to repay such amount if it is ultimately determined that such person

is not entitled to indemnification by the corporation under Section 145 of the General Corporation Law of the State of Delaware. Our amended and restated certificate of incorporation will provide that we will, to the fullest extent permitted by law, indemnify any person made or threatened to be made a party to an action or proceeding by reason of the fact that he or she (or his or her testators or intestate) is or was our director or officer or serves or served at any other corporation, partnership, joint venture, trust or other enterprise in a similar capacity or as an employee or agent at our request, including service with respect to employee benefit plans maintained or sponsored by us, against expenses (including attorneys'), judgments, fines, penalties and amounts paid in settlement incurred in connection with the investigation, preparation to defend, or defense of such action, suit, proceeding, or claim. However, we are not required to indemnify or advance expenses in connection with any action, suit, proceeding, claim, or counterclaim initiated by us or on behalf of us. Our amended and restated bylaws will provide that we will indemnify and hold harmless each person who was or is a party or threatened to be made a party to any action, suit, or proceeding by reason of the fact that he or she is or was our director or officer, or is or was serving at our request in a similar capacity of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans (whether the basis of such action, suit, or proceeding is an action in an official capacity as a director or officer or in any other capacity while serving as a director or officer) to the fullest extent authorized by the Delaware General Corporation Law against all expense, liability and loss (including attorney's fees, judgments, fines, ERISA excise taxes, or penalties and amounts paid in settlement) reasonably incurred or suffered by such person in connection with such action, suit or proceeding, and this indemnification continues after such person has ceased to be an officer or director and inures to the benefit of such person's heirs, executors and administrators. The indemnification rights also include the right generally to be advanced expenses, subject to any undertaking required under Delaware General Corporation Law, and the right generally to recover expenses to enforce an indemnification claim or to defend specified suits with respect to advances of indemnification expenses.

#### **Item 15. Recent Sales of Unregistered Securities.**

Set forth below is information regarding securities sold and issued by us since January 1, 2020 that were not registered under the Securities Act, as well as the consideration received by us for such securities and information relating to the section of the Securities Act, or rule of the Securities and Exchange Commission, under which exemption from registration was claimed. All share and per share amounts have been adjusted for the one-for-40 reverse stock split of our common stock effected on August 30, 2023.

- (1) During the first quarter of 2021, we sold to four accredited investors for an aggregate purchase price of \$250,000 (i) senior secured convertible promissory notes that bear interest at the rate of 10% per annum, (ii) convertible at a conversion price of \$3.75 per share, subject to adjustment, (iii) mature at the earlier of June 30, 2021 or the date of closing of an equity offering in which we receive gross proceeds of at least \$7,500,000, and (iv) warrants to purchase an aggregate of 1,667 shares of common stock at an exercise price equal to \$164.00 per share. In connection with such sales, we issued an additional common stock purchase warrant as a placement fee to purchase an aggregate of 480 shares of common stock.
- (2) In connection with the closing of our initial public offering on August 31, 2021, our outstanding promissory notes in the aggregate principal amount of \$2,141,730 automatically converted based on their original terms into an aggregate of 16,047 shares of common stock and all of the outstanding shares of our convertible preferred stock, upon the consent of the holders of a majority of such shares, automatically converted into an aggregate of 78,266 shares of common stock.
- (3) During the year ended December 31, 2021, we issued options under our 2014 Equity Incentive Plan to purchase an aggregate of 2,500 shares of common stock with an exercise price of \$100.80 per share.
- (4) During the year ended December 31, 2022, we issued options under our 2014 Equity Incentive Plan to purchase an aggregate of 27,125 shares of common stock with an exercise price of \$68.40 per share.
- (5) During the three months ended March 31, 2023, we issued options under our 2014 Equity Incentive Plan to purchase an aggregate of 13,550 shares of common stock with a weighted average exercise price of \$20.04 per share and restricted stock units to purchase 13,825 shares of common stock that were valued at 25.60 per share.

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The offers and sales of securities listed above, were deemed exempt from registration under Section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder in that the issuance of securities did not involve a public offering. The recipients of such securities in each of these transactions represented their intention to acquire the securities for investment purposes only and not with a view to or for sale in connection with any distribution thereof. The issuances of stock options listed above, were deemed exempt from registration in reliance on Section 4(a)(2) of the Securities Act or Rule 701 promulgated thereunder as transactions pursuant to benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of such securities were our employees, directors or bona fide consultants and received the securities under our equity incentive plans. The issuances of shares of common stock upon the conversion of outstanding securities listed above were deemed exempt from registration in reliance on Section 3(a)(9) of the Securities Act. All of the foregoing securities are deemed restricted securities for purposes of the Securities Act and appropriate legends were affixed to the securities issued in such transactions.

**Item 16. Exhibits and Financial Statement Schedules.**

**(a) Exhibits**

The exhibits to the registration statement are listed in the Exhibit Index attached hereto and are incorporated by reference herein.

Exhibit Number	Description of Exhibits	Incorporation by Reference		
		Form	Filing Date	Exhibit Number
1.1	<a href="#">Form of Underwriting Agreement</a>	—	*	—
2.1	<a href="#">Agreement and Plan of Reorganization</a>	8-K	5/31/23	2.1
2.2	<a href="#">Amendment No. 1 to Agreement and Plan of Reorganization</a>	8-K	6/23/23	2.2
2.3	<a href="#">Amendment No. 2 to Agreement and Plan of Reorganization</a>	—	**	—
2.4	<a href="#">Amendment No. 3 to Agreement and Plan of Reorganization</a>	—	**	—
2.5	<a href="#">Amendment No. 4 to Agreement and Plan of Reorganization</a>	—	**	—
2.6	<a href="#">Amendment No. 5 to Agreement and Plan of Reorganization</a>	—	**	—
2.7	Amendment No. 6 to Agreement and Plan of Reorganization	—	**	—
3.1	<a href="#">Amended and Restated Certificate of Incorporation, as currently in effect</a>	8-K	8/31/21	3.1
3.2	<a href="#">Amended and Restated Bylaws, as currently in effect</a>	8-K	8/31/21	3.2
4.1	<a href="#">Specimen common stock certificate</a>	S-1/A	5/22/19	4.1
4.2	<a href="#">Form of outstanding Warrant</a>	S-1	4/23/19	4.4
4.3	<a href="#">Form of Warrant Agency Agreement dated August 31, 2021 between SeqLL Inc. and VStock Transfer LLC</a>	8-K	8/31/21	10.1
4.4	<a href="#">Form of outstanding Common Stock Purchase Warrant</a>	S-1/A	8/16/21	4.6
4.5	<a href="#">Form of Representative's Warrant</a>	—	**	—
4.6	<a href="#">Form of Warrant Agency Agreement between SeqLL Inc. and VStock Transfer LLC</a>	—	*	—
4.7	<a href="#">Form of Series A Warrant</a>	—	*	—
4.8	<a href="#">Form of Series B Warrant</a>	—	*	—
4.9	<a href="#">Form of Pre-Funded Warrant</a>	—	*	—
5.1	<a href="#">Opinion of Pryor Cashman LLP</a>	—	**	—
10.1	<a href="#">Amended and Restated 2014 Equity Incentive Plan</a>	S-1	3/31/21	10.1
10.2	<a href="#">Atlantic International Corp. 2023 Equity Incentive Plan</a>	14A	6/05/23	Annex B
10.3	<a href="#">Voting Proxy Agreement dated as of May 29, 2023</a>	14A	6/05/23	Annex D
10.4	<a href="#">Asset Purchase Agreement dated as of May 29, 2023</a>	8-K	5/31/23	10.1
10.5	<a href="#">Fairness Opinion dated May 23, 2023</a>	14A	6/05/23	Annex C
10.6	<a href="#">Form of Consulting Agreement between Atlantic International Corp. and Robert Machinist</a>	—	**	—
10.7	<a href="#">Form of Executive Employment Agreement between Atlantic International Corp. and Christopher Broderick</a>	—	**	—
10.8	<a href="#">Form of Executive Employment Agreement between Atlantic International Corp. and Michael Tenore</a>	—	**	—
10.9	<a href="#">Form of Executive Employment Agreement between Atlantic International Corp. and Jeffrey Jagid</a>	—	**	—

Exhibit Number	Description of Exhibits	Incorporation by Reference		
		Form	Filing Date	Exhibit Number
10.10	<a href="#">Employment Agreement dated August 31, 2021 by and between Lyneer and Todd McNulty</a>	—	**	—
10.11	<a href="#">Employment Agreement dated August 31, 2021 by and between Lyneer and James Radvany</a>	—	**	—
10.12	<a href="#">Allocation Agreement dated as of December 31, 2023 by and among Lyneer Investments LLC and its subsidiaries; IDC Technologies Inc. and Prateek Gattani</a>	—	**	—
10.13	<a href="#">Second Omnibus Agreement dated as of January 16, 2024 by IDC Technologies Inc., Lyneer Investments LLC and its subsidiaries, PBC Lyneer Holdings LLC, as Administrative Agent, and PBC Lyneer Co-Investors, L.P.</a>	—	**	—
10.14	<a href="#">Limited Consent and Fifth Amendment to ABL Credit Agreement and Forbearance Agreement dated as of January 16, 2024 by and among IDC Technologies Inc., Lyneer Investments LLC and its subsidiaries, and BMO Bank, N.A., as Administrative Agent</a>	—	**	—
10.15	<a href="#">Sixth Amendment to Loan Agreement and Forbearance Agreement dated as of January 16, 2024 by and among IDC Technologies Inc., Lyneer Investments LLC and its subsidiaries, and SPP Credit Advisors LLC</a>	—	**	—
10.16	<a href="#">Form of Convertible Promissory Note to be issued by Atlantic International Corp. to IDC Technologies Inc.</a>	—	**	—
10.17	<a href="#">Form of Limited Guaranty and Pledge Agreement</a>	—	**	—
21.1	<a href="#">Subsidiaries of Registrant</a>	S-1	4/23/19	21.1
23.1	Consent of Wolf & Company, P.C., independent registered public accounting firm	—	*	—
23.2	Consent of RBSM LLP	—	*	—
23.3	<a href="#">Consent of Pryor Cashman LLP (included in Exhibit 5.1)</a>	—	**	—
24.1	<a href="#">Power of Attorney (included on signature page to this registration statement)</a>	—	**	—
107	<a href="#">Filing Fee Table</a>	—	**	—

\* Filed with this amendment.

\*\* Previously filed.

(b) *Financial Statement Schedules.*

All other schedules are omitted because they are not required, are not applicable, or the information is included in the financial statements or the related notes to financial statements thereto.

**Item 17. Undertakings.**

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, or the Securities Act, may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
  - (i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;
  - (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.
  - (iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;
- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- (4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:
  - (i) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and
  - (ii) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.
- (5) That, for the purpose of determining liability of the registrant under the Securities Act to any purchaser in the initial distribution of the securities: the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:
  - (i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

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- (ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
  - (iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
  - (iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.
- (6) Provide to the underwriter at the closing specified in the underwriting agreements certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.
- (7) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b) (1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.
- (8) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

**EXHIBIT INDEX**

*In reviewing the agreements included as exhibits to this registration statement, please remember they are included to provide you with information regarding their terms and are not intended to provide any other factual or disclosure information about us, our subsidiaries or other parties to the agreements. The agreements contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties have been made solely for the benefit of the other parties to the applicable agreement and:*

- *should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;*
- *have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;*
- *may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors; and*
- *were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments.*

*Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time. We acknowledge that, notwithstanding the inclusion of the foregoing cautionary statements, we are responsible for considering whether additional specific disclosures of material information regarding material contractual provisions are required to make the statements in this registration statement not misleading. Additional information about us may be found elsewhere in the prospectus included in this registration statement.*

Exhibit Number	Description of Exhibits	Incorporation by Reference		
		Form	Filing Date	Exhibit Number
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2.2	<a href="#">Amendment No. 1 to Agreement and Plan of Reorganization</a>	8-K	6/23/23	2.2
2.3	<a href="#">Amendment No. 2 to Agreement and Plan of Reorganization</a>	—	**	—
2.4	<a href="#">Amendment No. 3 to Agreement and Plan of Reorganization</a>	—	**	—
2.5	<a href="#">Amendment No. 4 to Agreement and Plan of Reorganization</a>	—	**	—
2.6	<a href="#">Amendment No. 5 to Agreement and Plan of Reorganization</a>	—	**	—
2.7	<a href="#">Amendment No. 6 to Agreement and Plan of Reorganization</a>	—	**	—
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4.5	<a href="#">Form of Representative's Warrant</a>	—	**	—
4.6	<a href="#">Form of Warrant Agency Agreement between SeqLL Inc. and VStock Transfer LLC</a>	—	*	—
4.7	<a href="#">Form of Series A Warrant</a>	—	*	—
4.8	<a href="#">Form of Series B Warrant</a>	—	*	—
4.9	<a href="#">Form of Pre-Funded Warrant</a>	—	*	—
5.1	<a href="#">Opinion of Pryor Cashman LLP</a>	—	**	—
10.2	<a href="#">Atlantic International Corp. 2023 Equity Incentive Plan</a>	14A	6/05/23	Annex B
10.3	<a href="#">Voting Proxy Agreement dated as of May 29, 2023</a>	14A	6/05/23	Annex D
10.4	<a href="#">Asset Purchase Agreement dated as of May 29, 2023</a>	8-K	5/31/23	10.1
10.5	<a href="#">Fairness Opinion dated May 23, 2023</a>	14A	6/05/23	Annex C



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Exhibit Number	Description of Exhibits	Incorporation by Reference		
		Form	Filing Date	Exhibit Number
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10.7	<a href="#">Form of Executive Employment Agreement between Atlantic International Corp. and Christopher Broderick</a>	—	**	—
10.8	<a href="#">Form of Executive Employment Agreement between Atlantic International Corp. and Michael Tenore</a>	—	**	—
10.9	<a href="#">Form of Executive Employment Agreement between Atlantic International Corp. and Jeffrey Jagid</a>	—	**	—
10.10	<a href="#">Employment Agreement dated August 31, 2021 by and between Lyneer and Todd McNulty</a>	—	**	—
10.11	<a href="#">Employment Agreement dated August 31, 2021 by and between Lyneer and James Radvany</a>	—	**	—
10.12	<a href="#">Allocation Agreement dated as of December 31, 2023 by and among Lyneer Investments LLC and its subsidiaries; IDC Technologies Inc. and Prateek Gattani</a>	—	**	—
10.13	<a href="#">Second Omnibus Agreement dated as of January 16, 2024 by IDC Technologies Inc., Lyneer Investments LLC and its subsidiaries, PBC Lyneer Holdings LLC, as Administrative Agent, and PBC Lyneer Co-Investors, L.P.</a>	—	**	—
10.14	<a href="#">Limited Consent and Fifth Amendment to ABL Credit Agreement and Forbearance Agreement dated as of January 16, 2024 by and among IDC Technologies Inc., Lyneer Investments LLC and its subsidiaries, and BMO Bank, N.A., as Administrative Agent</a>	—	**	—
10.15	<a href="#">Sixth Amendment to Loan Agreement and Forbearance Agreement dated as of January 16, 2024 by and among IDC Technologies Inc., Lyneer Investments LLC and its subsidiaries, and SPP Credit Advisors LLC</a>	—	**	—
10.16	<a href="#">Form of Convertible Promissory Note to be issued by Atlantic International Corp. to IDC Technologies Inc.</a>	—	**	—
10.17	<a href="#">Form of Limited Guaranty and Pledge Agreement</a>	—	**	—
21.1	<a href="#">Subsidiaries of Registrant</a>	S-1	4/23/19	21.1
23.1	<a href="#">Consent of Wolf &amp; Company, P.C., independent registered public accounting firm</a>	—	*	—
23.2	<a href="#">Consent of RBSM LLP</a>	—	*	—
23.3	<a href="#">Consent of Pryor Cashman LLP (included in Exhibit 5.1)</a>	—	**	—
24.1	<a href="#">Power of Attorney (included on signature page to this registration statement)</a>	—	**	—
107	<a href="#">Filing Fee Table</a>	—	**	—

\* Filed with this amendment.

\*\* Previously filed.

## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Post-Effective Amendment to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Woburn, State of Massachusetts, on this 1<sup>st</sup> day of May, 2024.

### SEQLL INC.

By: /s/ Daniel Jones

Daniel Jones  
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Daniel Jones</u> Daniel Jones	Chief Executive Officer and Chairman <i>(Principal Executive Officer)</i>	May 1, 2024
<u>/s/ Frances Scally</u> Frances Scally	Chief Financial Officer <i>(Principal Financial and Accounting Officer)</i>	May 1, 2024
<u>/s/ *</u> Patrice M. Milos	Director	May 1, 2024
<u>/s/ *</u> Douglas Miscoll	Director	May 1, 2024
<u>/s/ *</u> David Pfeffer	Director	May 1, 2024
<u>*/s/ Daniel Jones</u> Daniel Jones		May 1, 2024

By: Daniel Jones, as Attorney-in-Fact

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[\_\_\_\_\_] SHARES OF COMMON STOCK,  
[\_\_\_\_\_] PRE-FUNDED WARRANTS (EXERCISABLE FOR [\_\_\_\_\_] SHARES OF COMMON STOCK),  
[\_\_\_\_\_] SERIES A WARRANTS (EXERCISABLE FOR [\_\_\_\_\_] SHARES OF COMMON STOCK)  
AND  
[\_\_\_\_\_] SERIES B WARRANTS (EXERCISABLE FOR [\_\_\_\_\_] SHARES OF COMMON STOCK)  
OF  
SEQLL INC.  
(to be renamed Atlantic International Corp.)

UNDERWRITING AGREEMENT

[\_\_\_\_\_] , 2024

EF Hutton LLC  
As the Representative of the  
Several underwriters, if any, named in Schedule I hereto  
590 Madison Avenue, 39<sup>th</sup> Floor  
New York, New York 10022

Ladies and Gentlemen:

The undersigned, SeqLL Inc. (to be renamed Atlantic International Corp. in connection with the transactions contemplated hereby), a company incorporated under the laws of Delaware (the "Company"), hereby confirms its agreement (this "Agreement") with the several underwriters (such as EF Hutton LLC, including the Representative (as defined below) of the "Underwriters," and each an "Underwriter") named in Schedule I hereto for which EF Hutton LLC is acting as representative to the several Underwriters (the "Representative" and if there are no Underwriters other than the Representative, references to multiple Underwriters shall be disregarded and the term Representative as used herein shall have the same meaning as Underwriter) on the terms and conditions set forth herein.

It is understood that the several Underwriters are to make a public offering of the Public Securities (as defined below) as soon as the Representative deems it advisable to do so. The Public Securities are to be initially offered to the public at the public offering price set forth in the Prospectus (as defined below). The Representative may from time to time thereafter change the public offering price and other selling terms.

It is further understood that you will act as the Representative for the Underwriters in the Offering (as defined below) and sale of the Closing Securities (as defined below) and, if any, the Option Securities (as defined below) in accordance with this Agreement.

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**ARTICLE I.  
DEFINITIONS**

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement, for all purposes of this Agreement, the following terms have the meanings set forth in this Section 1.1:

“Affiliate” means with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with such Person as such terms are used in and construed under Rule 405 under the Securities Act.

“Atlantic” means Atlantic Acquisition Corp., a Delaware corporation.

“Board of Directors” means the board of directors of the Company.

“Business Day” means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

“Closing” means the closing of the purchase and sale of the Closing Securities pursuant to Section 2.1.

“Closing Date” means the hour and the date on the Trading Day on which all conditions precedent to (i) the Underwriters’ obligations to pay the Closing Purchase Price and (ii) the Company’s obligations to deliver the Closing Securities, in each case, have been satisfied or waived, but in no event later than 10:00 a.m. (New York City time) on the second (2<sup>nd</sup>) Trading Day following the date hereof or at such earlier time as shall be agreed upon by the Representative and the Company.

“Closing Purchase Price” shall have the meaning ascribed to such term in Section 2.1(b), which aggregate purchase price shall be net of the underwriting discounts and commissions.

“Commission” means the United States Securities and Exchange Commission.

“Common Stock” means the common stock of the Company, par value \$0.00001 per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

“Common Stock Equivalents” means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

“Company Auditor” means each of Wolf & Company, P.C., with offices located at 1500 Main Street, Suite 1500, Springfield, Massachusetts 01115 and RBSM LLP, with offices located at 770 East Warm Springs Road, Suite 225, Las Vegas, Nevada 89119.

“Company Counsel” means both Davidoff Hutter & Citron LLP and Pryor Cashman LLP, with offices located at 605 Third Avenue, 34th Floor, New York, New York 10158 and 7 Times Square, New York, New York 10036-6569, respectively.

“Effective Date” means the date and time as of which the Registration Statement, or the most recent post-effective amendment thereto, became effective, or is deemed to have become effective by the Commission, in accordance with the rules and regulations under the Securities Act.

“Loeb” means Loeb & Loeb LLP, with offices located at 345 Park Avenue, New York, New York 10154.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“Execution Date” shall mean the date on which the parties execute and enter into this Agreement.

“FCPA” means the Foreign Corrupt Practices Act of 1977, as amended.

“FINRA” means the Financial Industry Regulatory Authority.

“Indebtedness” means (a) any liabilities for borrowed money or amounts owed in excess of \$50,000 (other than trade accounts payable incurred in the ordinary course of business), (b) all guaranties, endorsements and other contingent obligations in respect of indebtedness of others, whether or not the same are or should be reflected in the Company’s consolidated balance sheet (or the notes thereto), except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business; and (c) the present value of any lease payments in excess of \$50,000 due under leases required to be capitalized in accordance with GAAP.

“Liens” means a lien, charge, pledge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

“Lock-Up Agreements” means the lock-up agreements that are delivered on the date hereof by each of the Company’s officers and directors and each holder of Common Stock and Common Stock Equivalents holding, on a fully diluted basis, 5% or more of the Company’s issued and outstanding Common Stock, in the form of Exhibit A attached hereto.

“Lyneer” means Lyneer Investments LLC.

“Material Adverse Effect” means (i) a material adverse effect on the legality, validity or enforceability of any Transaction Document, (ii) a material adverse effect on the results of operations, assets, business, prospects or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole or (iii) a material adverse effect on the Company’s ability to perform in any material respect on a timely basis its obligations under any Transaction Document.

“Merger” means the transactions contemplated by the Merger Agreement, pursuant to which the Company’s wholly-owned Subsidiary, SeqLL Merger LLC, will merge with and into Lyneer, with Lyneer continuing as the Company’s wholly-owned Subsidiary.

“Merger Agreement” means the Agreement and Plan of Reorganization dated May 29, 2023, as amended, by and among the Company, SeqLL Merger LLC, Atlantic, Atlantic Merger LLC, a Delaware limited liability company and a majority-owned subsidiary of Atlantic, Lyneer, IDC Technologies, Inc., a California corporation, and Lyneer Management Holdings LLC, a Delaware limited liability company.

“Option Closing Purchase Price” shall have the meaning ascribed to such term in Section 2.2(b), which aggregate purchase price shall be net of the underwriting discounts and commissions.

“Person” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

“Pre-Funded Warrants” means, collectively, the Pre-Funded Common Stock purchase warrants delivered to the Underwriters in accordance with Section 2.1(a)(ii) substantially in the form filed as an exhibit to the Registration Statement.

“Proceeding” means an action, claim, suit, investigation or proceeding (including, without limitation, an informal investigation or partial proceeding, such as a deposition), whether commenced or threatened.

“Public Securities” means, collectively, the Closing Securities and, if any, the Option Securities.

“Representative Warrants” is defined in Section 2.1(e) hereof.

“Rule 424” means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

“Securities” means the Closing Securities, the Option Securities and the Warrant Shares.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Series A Warrants” means the Series A Warrants to purchase shares of Common Stock included in the Units, substantially in the form filed as an exhibit to the Registration Statement.

“Series B Warrants” means the Series B Warrants to purchase shares of Common Stock included in the Units, substantially in the form filed as an exhibit to the Registration Statement.

“Shares” means, collectively, the shares of Common Stock included in the Units delivered to the Underwriters in accordance with Section 2.1(a)(i) and Section 2.2(a).

“Subsidiary” means any subsidiary of the Company and shall, where applicable, also include any direct or indirect subsidiary of the Company formed or acquired after the date hereof.

“Trading Day” means a day on which the principal Trading Market is open for trading.

“Trading Market” means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: Cboe BZX Exchange Inc., the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market or the New York Stock Exchange (or any successors to any of the foregoing).

“Transaction Documents” means this Agreement and all exhibits and schedules hereto, the Warrants, the Warrant Agency Agreement, the Lock-Up Agreements, and any other documents or agreements executed in connection with the transactions contemplated hereunder.

“Transfer Agent” means Vstock Transfer LLC, the current transfer agent of the Company with a mailing address of 18 Lafayette Place, Woodmere, New York 11598, and any successor transfer agent of the Company.

“Units” means the Units delivered to the Underwriters in accordance with Section 2.1 and 2.2, consisting of shares of Common Stock, Series A Warrants and Series B Warrants.

“Warrant Agency Agreement” means the warrant agency agreement dated on or about the date hereof, among the Company and the Transfer Agent substantially in the form filed as an exhibit to the Registration Statement.

“Warrant Shares” means the shares of Common Stock issuable upon exercise of the Warrants.

“Warrants” means, collectively, the Pre-Funded Warrants, the Series A Warrants, the Series B Warrants and the Representative Warrants.

## **ARTICLE II. PURCHASE AND SALE**

### 2.1 Closing.

(a) Upon the terms and subject to the conditions set forth herein, the Company agrees to sell in the aggregate (i) [\_\_\_\_\_] Units, consisting of (A) [\_\_\_\_\_] shares of Common Stock, (B) [\_\_\_\_\_] Pre-Funded Warrants exercisable for an aggregate of [\_\_\_\_\_] shares of Common Stock, (C) Series A Warrants exercisable for an aggregate of [\_\_\_\_\_] shares of Common Stock and (D) Series B Warrants exercisable for an aggregate of [\_\_\_\_\_] shares of Common Stock, and each Underwriter agrees to purchase, severally and not jointly, at the Closing, the following securities of the Company:

(i) the number of Units (collectively, the “Closing Units”) set forth opposite the name of such Underwriter on Schedule I hereof;

(ii) the number of shares of Common Stock (the “Closing Shares”) set forth opposite the name of such Underwriter on Schedule I hereof;

(iii) Pre-Funded Warrants to purchase up to the number of shares of Common Stock set forth opposite the name of such Underwriter on Schedule I hereof, which shall have an exercise price equal to \$0.0001 (subject to adjustment therein); and

(iv) the number of Series A Warrants and Series B Warrants to purchase up to the number of shares of Common Stock set forth opposite the name of such Underwriter on Schedule I hereof, which Series A Warrants shall have an exercise price of \$[\_\_\_\_\_] (130% of the Offering price per Unit), subject to adjustment as provided therein, and the Series B Warrants shall have an exercise price of \$[\_\_\_\_\_] (200% of the Offering price per Unit), subject to adjustment as provided therein (collectively, with the Pre-Funded Warrants, the Series A Warrants and the Series B Warrants delivered at Closing, the "Closing Warrants" and, collectively with the Closing Units and the Closing Shares, the "Closing Securities").

(b) The aggregate purchase price for the Closing Securities shall equal the amount set forth opposite the name of such Underwriter on Schedule I hereto (the "Closing Purchase Price"). The combined purchase price for one Closing Unit shall be \$[\_\_\_\_\_] (\$[\_\_\_\_\_] inclusive of the 7% discount) which shall be allocated as \$[\_\_\_\_\_] per Closing Share (the "Share Purchase Price"), \$[\_\_\_\_\_] per Series A Warrant and \$[\_\_\_\_\_] per Series B Warrant (collectively, the "Warrant Purchase Price").

(c) On the Closing Date, each Underwriter shall deliver or cause to be delivered to the Company, via wire transfer, immediately available funds equal to such Underwriter's Closing Purchase Price and the Company shall deliver to, or as directed by, such Underwriter its respective Closing Securities and the Company shall deliver the other items required pursuant to Section 2.3 deliverable at the Closing. Upon satisfaction of the covenants and conditions set forth in Sections 2.3 and 2.4, the Closing shall occur at the offices of Loeb or such other location as the Company and Representative shall mutually agree. The Public Securities are to be offered initially to the public at the offering price set forth on the cover page of the Prospectus (the "Offering").

(d) The Company acknowledges and agrees that, with respect to any Notice(s) of Exercise (as defined in the Pre-Funded Warrants) delivered by a Holder (as defined in the Pre-Funded Warrants) on or prior to 12:00 p.m. (New York City time) on the Closing Date, which Notice(s) of Exercise may be delivered at any time after the time of execution of this Agreement, the Company shall deliver the Warrant Shares (as defined in the Pre-Funded Warrants) subject to such notice(s) to the Holder by 4:00 p.m. (New York City time) on the Closing Date and the Closing Date shall be the Warrant Share Delivery Date (as defined in the Pre-Funded Warrants). The Company acknowledges and agrees that the Holders are third-party beneficiaries of this covenant of the Company.

(e) The Company hereby agrees to issue to the Representative (and/or its designees) on the Closing Date, warrants to purchase [\_\_\_\_\_] shares of Common Stock (the "Closing Representative Warrants") and, on each Option Closing Date, warrants to purchase a number of shares of Common Stock up to an aggregate of 2% of the number of Units issued at such Option Closing Date (the "Option Representative Warrants" and, together with the Closing Representative Warrants, the "Representative Warrants"). The Representative Warrants shall be exercisable, in whole or in part, commencing 180 days from the Effective Date and expiring on the five-year anniversary of the Effective Date at an initial exercise price of \$[\_\_\_\_\_] per share of Common Stock, which is equal to one hundred thirty-five percent (135%) of the Offering price of one Unit. The Representative Warrants shall be in substantially the form filed as an exhibit to the Registration Statement.



## 2.2 Over-Allotment Option.

(a) For the purposes of covering any over-allotments in connection with the distribution and sale of the Closing Securities, the Representative is hereby granted an option (the "Over-Allotment Option") to purchase, in the aggregate, up to [\_\_\_\_\_] Units (the "Option Units"), consisting of [\_\_\_\_\_] shares of Common Stock (the "Option Shares"), Series A Warrants to purchase up to [\_\_\_\_\_] shares of Common Stock and Series B Warrants to purchase up to [\_\_\_\_\_] shares of Common Stock (collectively, the "Option Warrants") and, together with the Option Units and the Option Shares, the "Option Securities")<sup>1</sup> which may be purchased in any combination of Option Shares and/or Option Warrants at the Share Purchase Price and/or Warrant Purchase Price, respectively.

(b) In connection with an exercise of the Over-Allotment Option, (a) the purchase price to be paid for the Option Shares is equal to the product of the Share Purchase Price multiplied by the number of Option Shares to be purchased and (b) the purchase price to be paid for the Option Warrants is equal to the product of the Warrant Purchase Price multiplied by the number of Option Warrants (the aggregate purchase price to be paid on an Option Closing Date (as defined below), the "Option Closing Purchase Price").

(c) The Over-Allotment Option granted pursuant to this Section 2.2 may be exercised by the Representative as to all (at any time) or any part (from time to time) of the Option Securities within 45 days after the Execution Date. An Underwriter will not be under any obligation to purchase any Option Securities prior to the exercise of the Over-Allotment Option by the Representative. The Over-Allotment Option granted hereby may be exercised by the giving of oral notice to the Company from the Representative, which must be confirmed in writing by overnight mail or facsimile or other electronic transmission setting forth the number of Option Shares and/or Option Warrants to be purchased and the date and time for delivery of and payment for the Option Securities (each, an "Option Closing Date"), which will not be later than two (2) full Business Days after the date of the notice or such other time as shall be agreed upon by the Company and the Representative, at the offices of Loeb or at such other place (including remotely by facsimile or other electronic transmission) as shall be agreed upon by the Company and the Representative. If such delivery and payment for the Option Securities does not occur on the Closing Date, each Option Closing Date will be as set forth in the notice. Upon exercise of the Over-Allotment Option, the Company will become obligated to convey to the Underwriters, and, subject to the terms and conditions set forth herein, the Underwriters will become obligated to purchase, the number of Option Shares and/or Option Warrants specified in such notice. The Representative may cancel the Over-Allotment Option at any time prior to the expiration of the Over-Allotment Option by written notice to the Company.

2.3 Deliveries. The Company shall deliver or cause to be delivered to each Underwriter (if applicable) the following:

(i) At the Closing Date, the Closing Shares and, as to each Option Closing Date, if any, the applicable Option Shares, which shares shall be delivered via The Depository Trust Company Deposit or Withdrawal at Custodian system for the accounts of the several Underwriters;

(ii) At the Closing Date, the Closing Warrants and, as to each Option Closing Date, if any, the applicable Option Warrants via The Depository Trust Company Deposit or Withdrawal at Custodian system for the accounts of the several Underwriters;

(iii) At the Closing Date, the Warrant Agency Agreement duly executed by the parties thereto;

(iv) At the Closing Date, a legal opinion of Company Counsel addressed to the Underwriters, including, without limitation, a negative assurance letter, in the form and substance satisfactory in all respects to the Representative and as to the Closing Date and as to each Option Closing Date, if any, a bring-down opinion from Company Counsel in form and substance reasonably satisfactory to the Representative, including, without limitation, a negative assurance letter, addressed to the Underwriters and in form and substance satisfactory to the Representative;

(v) Contemporaneously herewith, a cold comfort letter, addressed to the Underwriters and in form and substance satisfactory in all respects to the Representative from the Company Auditor dated, respectively, as of the date of this Agreement and a bring-down letter dated as of the Closing Date and each Option Closing Date, if any;

(vi) On the Closing Date and on each Option Closing Date, the duly executed and delivered Officer's Certificate, in form and substance satisfactory to the Representative;

(vii) On the Closing Date and on each Option Closing Date, the duly executed and delivered Secretary's Certificate, in form and substance satisfactory to the Representative;

(viii) Contemporaneously herewith, the duly executed and delivered Lock-Up Agreements from each of the persons listed in Schedule II hereto; and

(ix) Such other certificates, opinions or documents as the Underwriters and Underwriters' counsel may have reasonably requested.

2.4 Closing Conditions. The respective obligations of each Underwriter hereunder in connection with the Closing and each Option Closing Date are subject to the following conditions being met:

(i) the accuracy in all material respects when made and on the date in question (other than representations and warranties of the Company already qualified by materiality, which shall be true and correct in all respects) of the representations and warranties of the Company contained herein (unless as of a specific date therein);

(ii) all obligations, covenants and agreements of the Company required to be performed at or prior to the date in question shall have been performed;

(iii) the delivery by the Company of the items set forth in Section 2.3 of this Agreement;

(iv) the Registration Statement shall be effective on the date of this Agreement and at each of the Closing Date and each Option Closing Date, if any, no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been instituted or shall be pending or contemplated by the Commission and any request on the part of the Commission for additional information shall have been complied with to the reasonable satisfaction of the Representative;

(v) by the Execution Date, if required by FINRA, the Underwriters shall have received a notice of no objections from FINRA as to the amount of compensation allowable or payable to and the terms and arrangements for acting as the Underwriters as described in the Registration Statement;

(vi) the Closing Shares, the Option Shares and the Warrant Shares have been approved for listing on the Trading Market; and

(vii) prior to and on each of the Closing Date and each Option Closing Date, if any: (i) there shall have been no material adverse change or development involving a prospective material adverse change in the condition or prospects or the business activities, financial or otherwise, of the Company from the latest dates as of which such condition is set forth in the Registration Statement and Prospectus; (ii) no action suit or proceeding, at law or in equity, shall have been pending or threatened against the Company or any Affiliate of the Company before or by any court or federal or state commission, board or other administrative agency wherein an unfavorable decision, ruling or finding may materially adversely affect the business, operations, prospects or financial condition or income of the Company, except as set forth in the Registration Statement and Prospectus; (iii) no stop order shall have been issued under the Securities Act and no proceedings therefor shall have been initiated or threatened by the Commission; (iv) the Company has not incurred any material liabilities or obligations, direct or contingent, nor has it entered into any material transactions not in the ordinary course of business, other than pursuant to this Agreement and the transactions referred to herein; (v) the Company has not paid or declared any dividends or other distributions of any kind on any class of its capital stock except as required under the Merger Agreement; (vi) the Company has not altered its method of accounting and (vii) the Registration Statement and the Prospectus and any amendments or supplements thereto shall contain all material statements which are required to be stated therein in accordance with the Securities Act and the rules and regulations thereunder and shall conform in all material respects to the requirements of the Securities Act and the rules and regulations thereunder, and neither the Registration Statement nor the Prospectus nor any amendment or supplement thereto shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

If any of the conditions specified in this Section 2.4 shall not have been fulfilled when and as required by this Agreement, or if any of the certificates, opinions, written statements or letters furnished to the Representatives or to Representative's counsel pursuant to this Section 2.4 shall not be reasonably satisfactory in form and substance to the Representative and to Representative's counsel, all obligations of the Underwriters hereunder may be cancelled by the Representative at, or at any time prior to, the consummation of the Closing. Notice of such cancellation shall be given to the Company in writing or orally. Any such oral notice shall be confirmed promptly thereafter in writing.

**ARTICLE III.  
REPRESENTATIONS AND WARRANTIES**

3.1 Representations and Warranties of the Company. The Company represents and warrants to the Underwriters as of the Execution Date, as of the Closing Date and as of each Option Closing Date, if any, as follows:

(a) Subsidiaries. The Company has the direct and indirect Subsidiaries as set forth in the Registration Statement and Prospectus,

(b) Organization and Qualification. The Company is an entity duly incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. The Company is not in violation nor default of any of the provisions of its certificate of incorporation or bylaws. The Company is duly qualified to conduct business and is in good standing as a foreign corporation in each jurisdiction in which the nature of its business or property it owns makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in a Material Adverse Effect and no Proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.

(c) Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and each of the other Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and each of the other Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company, the Board of Directors or the Company's stockholders in connection herewith or therewith other than in connection with the Required Approvals (as defined below). This Agreement and each other Transaction Document to which the Company is a party has been (or upon delivery will have been) duly executed by the Company and, when delivered in accordance with the terms hereof and thereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(d) No Conflicts. The execution, delivery and performance by the Company of this Agreement and the other Transaction Documents to which it is a party, the issuance and sale of the Securities and the consummation by it of the transactions contemplated hereby and thereby do not and will not (i) conflict with or violate any provision of the Company's certificate of incorporation or bylaws, or (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any Lien upon any of the properties or assets of the Company, or give to others any rights of termination, amendment, anti-dilution or similar adjustments, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Company debt or otherwise) or other understanding to which the Company is a party or by which any property or asset of the Company is bound or affected, or (iii) subject to the Required Approvals, conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company is subject (including federal and state securities laws and regulations), or by which any property or asset of the Company is bound or affected; except in the case of clause (ii), such as could not have or reasonably be expected to result in a Material Adverse Effect.

(e) Filings, Consents and Approvals. The Company is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Company of the Transaction Documents, other than: (i) the filings required pursuant to Section 4.16 of this Agreement, (ii) the filing with the Commission of the Prospectus, (iii) application(s) to each applicable Trading Market for the listing of the Shares and Warrant Shares for trading thereon in the time and manner required thereby and (iv) such filings as are required to be made under applicable state securities laws (collectively, the “Required Approvals”).

(f) Registration Statement. The Company has filed with the Commission the Registration Statement, including any related Preliminary Prospectus (as defined below), Prospectus (as defined below) or Prospectuses, for the registration of the Securities under the Securities Act, which Registration Statement has been prepared by the Company in all material respects in conformity with the requirements of the Securities Act and the rules and regulations of the Commission under the Securities Act. The registration of the Common Stock under the Exchange Act has been declared effective by the Commission on the date hereof. Copies of the Registration Statement and of each amendment thereto, if any, including the related Preliminary Prospectuses, heretofore filed by the Company with the Commission have been delivered to the Underwriters. The term “Registration Statement” means such registration statement on Form S-1 (File No. 333-272908), as amended, as of the relevant Effective Date, including financial statements, all exhibits and any information deemed to be included or incorporated by reference therein, including any information deemed to be included pursuant to Rule 430A or Rule 430B of the Securities Act and the rules and regulations thereunder, as applicable. If the Company files a registration statement to register a portion of the Securities and relies on Rule 462(b) of the Securities Act and the rules and regulations thereunder for such registration statement to become effective upon filing with the Commission (the “Rule 462 Registration Statement”), then any reference to the “Registration Statement” shall be deemed to include the Rule 462 Registration Statement, as amended from time to time. The term “Preliminary Prospectus” as used herein means a preliminary prospectus as contemplated by Rule 430 or Rule 430A of the Securities Act and the rules and regulations thereunder as included at any time as part of, or deemed to be part of or included in, the Registration Statement. The term “Prospectus” means the final prospectus in connection with this Offering as first filed with the Commission pursuant to Rule 424(b) of the Securities Act and the rules and regulations thereunder or, if no such filing is required, the form of final prospectus included in the Registration Statement at the Effective Date, except that if any revised prospectus or prospectus supplement shall be provided to the Representative by the Company for use in connection with the Securities which differs from the Prospectus (whether or not such revised prospectus or prospectus supplement is required to be filed by the Company pursuant to Rule 424(b)), the term “Prospectus” shall also refer to such revised prospectus or prospectus supplement, as the case may be, from and after the time it is first provided to the Representative for such use. Any reference herein to the terms “amend”, “amendment” or “supplement” with respect to the Registration Statement, any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include: (i) the filing of any document under the Exchange Act after the Effective Date, the date of such Preliminary Prospectus or the date of the Prospectus, as the case may be, which is incorporated therein by reference, and (ii) any such document so filed. All references in this Agreement to the Registration Statement, a Preliminary Prospectus and the Prospectus, or any amendments or supplements to any of the foregoing shall be deemed to include any copy thereof filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval System (“EDGAR”). The term “General Disclosure Package” means, collectively, the Permitted Free Writing Prospectus(es) (as defined below) issued at or prior to the date hereof, the most recent preliminary prospectus related to this offering, and the information included on Schedule I hereto.

(g) Issuance of Securities. The Securities are duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be duly and validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company. The Warrant Shares, when issued in accordance with the terms of the Warrants, will be validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company. The Company has reserved from its duly authorized capital stock the maximum number of shares of Common Stock issuable pursuant to this Agreement and the Warrants. The holder of the Securities will not be subject to personal liability by reason of being such holders. The Securities are not and will not be subject to the preemptive rights of any holders of any security of the Company or similar contractual rights granted by the Company. All corporate action required to be taken for the authorization, issuance and sale of the Securities has been duly and validly taken. The Securities conform in all material respects to all statements with respect thereto contained in the Registration Statement.

(h) Capitalization. The capitalization of the Company as of the date hereof shall also include the number of shares of Common Stock owned beneficially, and of record, by Affiliates of the Company as of the date hereof. The Company has not issued any capital stock since its most recently filed periodic report under the Exchange Act, other than pursuant to the exercise of employee stock options under the Company's stock option plans, the issuance of shares of Common Stock to employees pursuant to the Company's employee stock purchase plans and pursuant to the conversion and/or exercise of Common Stock Equivalents outstanding as of the date of the most recently filed periodic report under the Exchange Act. No Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the Transaction Documents. As a result of the purchase and sale of the Securities except as set forth in the Merger Agreement, there are no outstanding options, warrants, scrip rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exercisable or exchangeable for, or giving any Person any right to subscribe for or acquire, any shares of Common Stock, or contracts, commitments, understandings or arrangements by which the Company is or may become bound to issue additional shares of Common Stock or Common Stock Equivalents. The issuance and sale of the Securities will not obligate the Company to issue shares of Common Stock or other securities to any Person (other than the Underwriters) and will not result in a right of any holder of Company securities to adjust the exercise, conversion, exchange or reset price under any of such securities. There are no outstanding securities or instruments of the Company that contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company is or may become bound to redeem a security of the Company. The Company does not have any stock appreciation rights or "phantom stock" plans or agreements or any similar plan or agreement. All of the outstanding shares of capital stock of the Company are duly authorized, validly issued, fully paid and nonassessable, have been issued in compliance with all federal and state securities laws, and none of such outstanding shares was issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities. The authorized shares of the Company conform in all material respects to all statements relating thereto contained in the Registration Statement and the Prospectus. The offers and sales of the Company's securities were at all relevant times either registered under the Securities Act and the applicable state securities or Blue Sky laws or, based in part on the representations and warranties of the purchasers, exempt from such registration requirements. No further approval or authorization of any stockholder, the Board of Directors or others is required for the issuance and sale of the Securities. There are no stockholders agreements, voting agreements or other similar agreements with respect to the Company's capital stock to which the Company is a party or, to the knowledge of the Company, between or among any of the Company's stockholders.

(i) SEC Reports; Financial Statements. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by the Company under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the two years preceding the date hereof (or such shorter period as the Company was required by law or regulation to file such material) (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, together with the preliminary proxy statement initially filed with the Commission on June 5, 2023 in connection with the Merger, as amended, and the definitive proxy statement filed with the Commission on August 10, 2023 (as may be amended or supplemented) in connection with the Merger, the Registration Statement, the Preliminary Prospectus and the Prospectus, being collectively referred to herein as the “SEC Reports”) on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective dates, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The financial statements of the Company included in the SEC Reports comply in all material respects with applicable accounting requirements and the rules and regulations of the Commission with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with United States (“U.S.”) generally accepted accounting principles applied on a consistent basis during the periods involved (“GAAP”), except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the financial position of the Company as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments. The agreements and documents described in the Registration Statement, the Preliminary Prospectus, the General Disclosure Package, the Prospectus and the SEC Reports conform to the descriptions thereof contained therein and there are no agreements or other documents required by the Securities Act and the rules and regulations thereunder to be described in the Registration Statement, the Preliminary Prospectus, the General Disclosure Package, the Prospectus or the SEC Reports or to be filed with the Commission as exhibits to the Registration Statement, that have not been so described or filed. Each agreement or other instrument (however characterized or described) to which the Company is a party or by which it is or may be bound or affected and (i) that is referred to in the Registration Statement, the General Disclosure Package, the Prospectus or the SEC Reports, or (ii) is material to the Company’s business, has been duly authorized and validly executed by the Company, is in full force and effect in all material respects and is enforceable against the Company and, to the Company’s knowledge, the other parties thereto, in accordance with its terms, except (x) as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors’ rights generally, (y) as enforceability of any indemnification or contribution provision may be limited under the federal and state securities laws, and (z) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to the equitable defenses and to the discretion of the court before which any proceeding therefore may be brought. None of such agreements or instruments has been assigned by the Company, and neither the Company nor, to the best of the Company’s knowledge, any other party is in default thereunder and, to the best of the Company’s knowledge, no event has occurred that, with the lapse of time or the giving of notice, or both, would constitute a default thereunder. To the best of the Company’s knowledge, performance by the Company of the material provisions of such agreements or instruments will not result in a violation of any existing applicable law, rule, regulation, judgment, order or decree of any governmental agency or court, domestic or foreign, having jurisdiction over the Company or any of its assets or businesses, including, without limitation, those relating to environmental laws and regulations.

(j) Material Changes; Undisclosed Events, Liabilities or Developments. Since the date of the latest audited financial statements included within the SEC Reports, (i) there has been no event, occurrence or development, including changes generally affecting the pharmaceutical and biotechnology industry, that has had or that could reasonably be expected to result in a Material Adverse Effect, (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice, (B) liabilities not required to be reflected in the Company’s financial statements pursuant to GAAP or disclosed in filings made with the Commission, and (C) under the Merger Agreement, (iii) the Company has not altered its method of accounting, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders, other than under the Merger Agreement, or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock, (v) the Company has not issued any equity securities to any officer, director or Affiliate, except pursuant to existing Company stock option plans and (vi) no officer or director of the Company has resigned from any position with the Company. The Company does not have pending before the Commission any request for confidential treatment of information. Except for the issuance of the Securities contemplated by this Agreement, no event, liability, fact, circumstance, occurrence or development has occurred or exists or is reasonably expected to occur or exist with respect to the Company or its business, prospects, properties, operations, assets or financial condition that would be required to be disclosed by the Company under applicable securities laws at the time this representation is made or deemed made that has not been publicly disclosed at least 1 Trading Day prior to the date that this representation is made. Unless otherwise disclosed in an SEC Report filed prior to the date hereof, the Company has not: (i) issued any securities or incurred any liability or obligation, direct or contingent, for borrowed money; or (ii) declared or paid any dividend or made any other distribution on or in respect to its capital stock.

(k) Litigation. There is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Company, threatened against or affecting the Company or its properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an “Action”). No Action (i) adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents or the Securities or (ii) could, if there were an unfavorable decision, have or reasonably be expected to result in a Material Adverse Effect. Neither the Company, nor any director or officer thereof, is or has been the subject of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty. There has not been, and to the knowledge of the Company, there is not pending or contemplated, any investigation by the Commission involving the Company or any current or former director or officer of the Company. The Commission has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company under the Exchange Act or the Securities Act.

(l) Labor Relations. No labor dispute exists or, to the knowledge of the Company is imminent with respect to any of the employees of the Company that could reasonably be expected to result in a Material Adverse Effect. None of the Company’s employees is a member of a union that relates to such employee’s relationship with the Company, and the Company is not a party to a collective bargaining agreement, and the Company believes that its relationships with its employees are good. To the knowledge of the Company, no executive officer of the Company is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant in favor of any third party, and the continued employment of each such executive officer does not subject the Company to any liability with respect to any of the foregoing matters. The Company is in compliance with all United States, federal, state, local and foreign laws and regulations relating to employment and employment practices, terms and conditions of employment and wages and hours, except where the failure to be in compliance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(m) Compliance. The Company: (i) is not in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company under), nor has the Company received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any judgment, decree or order of any court, arbitrator or other governmental authority or (iii) is or has been in violation of any statute, rule, ordinance or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws relating to taxes, environmental protection, occupational health and safety, product quality and safety and employment and labor matters, except in each case as could not have or reasonably be expected to result in a Material Adverse Effect.

(n) Environmental Laws. The Company (i) is in compliance with all federal, state, local and foreign laws relating to pollution or protection of human health or the environment (including ambient air, surface water, groundwater, land surface or subsurface strata), including laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, or toxic or hazardous substances or wastes (collectively, “Hazardous Materials”) into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as well as all authorizations, codes, decrees, demands, or demand letters, injunctions, judgments, licenses, notices or notice letters, orders, permits, plans or regulations, issued, entered, promulgated or approved thereunder (“Environmental Laws”); (ii) has received all permits licenses or other approvals required of it under applicable Environmental Laws to conduct its business; and (iii) is in compliance with all terms and conditions of any such permit, license or approval where in each clause (i), (ii) and (iii), the failure to so comply could be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.



(o) Regulatory Permits. The Company possesses all certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct its business as described in the SEC Reports, except where the failure to possess such permits could not reasonably be expected to result in a Material Adverse Effect (“Material Permits”), and the Company has not received any notice of proceedings relating to the revocation or modification of any Material Permit. The disclosures in the Registration Statement concerning the effects of Federal, State, local and all foreign regulation on the Company’s business as currently contemplated are correct in all material respects.

(p) Title to Assets. The Company, has good and marketable title in fee simple to all real property owned by it and good and marketable title in all personal property owned by it that is material to the business of the Company, in each case free and clear of all Liens, except for (i) Liens as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company and (ii) Liens for the payment of federal, state or other taxes, for which appropriate reserves have been made therefor in accordance with GAAP and, the payment of which is neither delinquent nor subject to penalties. Any real property and facilities held under lease by the Company is held by it under valid, subsisting and enforceable leases with which the Company is in compliance.

(q) Intellectual Property. The Company has, or has rights to use, all patents, patent applications, trademarks, trademark applications, service marks, trade names, trade secrets, inventions, copyrights, licenses and other intellectual property rights and similar rights necessary or required for use in connection with its business as described in the SEC Reports and which the failure to so have could have a Material Adverse Effect (collectively, the “Intellectual Property Rights”). The Company has not received a notice (written or otherwise) that any of, the Intellectual Property Rights has expired, terminated or been abandoned, or is expected to expire or terminate or be abandoned, within two (2) years from the date of this Agreement. The Company has not received, since the date of the latest audited financial statements included within the SEC Reports, a written notice of a claim or otherwise has any knowledge that the Intellectual Property Rights violate or infringe upon the rights of any Person, except as could not have or reasonably be expected to not have a Material Adverse Effect. To the knowledge of the Company, all such Intellectual Property Rights are enforceable and there is no existing infringement by another Person of any of the Intellectual Property Rights. The Company has taken reasonable security measures to protect the secrecy, confidentiality and value of all of their intellectual properties, except where failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(r) Insurance. The Company is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the business in which the Company is engaged, including, but not limited to, directors and officers insurance coverage at least equal to the aggregate purchase price for the Securities sold pursuant thereto. The Company has no reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business without a significant increase in cost.

(s) Transactions With Affiliates and Employees. Except as described in the SEC Reports concerning the Merger, none of the officers or directors of the Company, and, to the knowledge of the Company, none of the employees of the Company, is presently a party to any transaction with the Company (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, providing for the borrowing of money from or lending of money to or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee, stockholder, member or partner, in each case in excess of \$120,000 other than for (i) payment of salary or consulting fees for services rendered, (ii) reimbursement for expenses incurred on behalf of the Company and (iii) other employee benefits, including stock option agreements under any stock option plan of the Company.

(t) Sarbanes-Oxley; Internal Accounting Controls. The Company is in compliance with any and all applicable requirements of the Sarbanes-Oxley Act of 2002 that are effective as of the date hereof, and any and all applicable rules and regulations promulgated by the Commission thereunder that are effective as of the date hereof and as of the Closing Date. The Company maintains a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Company has established disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company, and designed such disclosure controls and procedures to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms. The Company's certifying officers have evaluated the effectiveness of the disclosure controls and procedures of the Company as of the end of the period covered by the most recently filed periodic report under the Exchange Act (such date, the "Evaluation Date"). The Company presented in its most recently filed periodic report under the Exchange Act the conclusions of the certifying officers about the effectiveness of the disclosure controls and procedures based on their evaluations as of the Evaluation Date. Since the Evaluation Date, there have been no changes in the internal control over financial reporting (as such term is defined in the Exchange Act) of the Company that have materially affected, or is reasonably likely to materially affect, the internal control over financial reporting of the Company.

(u) Certain Fees. Except as set forth in the Registration Statement and Prospectus, no brokerage or finder's fees or commissions are or will be payable by the Company or any Affiliate of the Company to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by the Transaction Documents. To the Company's knowledge, there are no other arrangements, agreements or understandings of the Company or, to the Company's knowledge, any of its stockholders that may affect the Underwriters' compensation, as determined by FINRA. The Company has not made any direct or indirect payments (in cash, securities or otherwise) to: (i) any person, as a finder's fee, consulting fee or otherwise, in consideration of such person raising capital for the Company or introducing to the Company persons who raised or provided capital to the Company; (ii) any FINRA member; or (iii) any person or entity that has any direct or indirect affiliation or association with any FINRA member, within the twelve months prior to the Execution Date. None of the net proceeds of the Offering will be paid by the Company to any participating FINRA member or its affiliates, except as specifically authorized herein.

(v) Investment Company. The Company is not, and is not an Affiliate of, and immediately after receipt of payment for the Securities will not be or be an Affiliate of, an "investment company" within the meaning of the Investment Company Act of 1940, as amended. The Company shall conduct its business in a manner so that it will not become an "investment company" subject to registration under the Investment Company Act of 1940, as amended.

(w) Registration Rights. Except as provided in this Agreement, no Person has any right to cause the Company to effect the registration under the Securities Act of any securities of the Company.

(x) Listing and Maintenance Requirements. The Common Stock is registered pursuant to Section 12(b) of the Exchange Act, and the Company has taken no action designed to, or which to its knowledge is likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act nor has the Company received any notification that the Commission is contemplating terminating such registration. The Company has not in the 12 months preceding the date hereof received notice from any Trading Market on which the Common Stock is or has been listed or quoted to the effect that the Company is not in compliance with the listing or maintenance requirements of such Trading Market. The Company is, and has no reason to believe that it will not in the foreseeable future continue to be, in compliance with all such listing and maintenance requirements. The Common Stock is currently eligible for electronic transfer through the Depository Trust Company or another established clearing corporation and the Company is current in payment of the fees to the Depository Trust Company (or such other established clearing corporation) in connection with such electronic transfer.

(y) Application of Takeover Protections. The Company and the Board of Directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Company's certificate of incorporation (or similar charter documents) or the laws of its state of incorporation that is or could become applicable as a result of the Underwriters and the Company fulfilling their obligations or exercising their rights under the Transaction Documents.

(z) Disclosure: 10b-5. The Registration Statement (and any further documents to be filed with the Commission) contains all exhibits and schedules as required by the Securities Act. Each of the Registration Statement and any post-effective amendment thereto, if any, at the time it became effective, complied in all material respects with the Securities Act and the Exchange Act and the applicable rules and regulations under the Securities Act and did not and, as amended or supplemented, if applicable, will not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. The Prospectus and any prospectus supplement, each as of its respective date, comply in all material respects with the Securities Act and the Exchange Act and the applicable rules and regulations. Each of the Prospectus and any prospectus supplement, as amended or supplemented, did not and will not contain as of the date thereof any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. As of its date and the date hereof, the General Disclosure Package did not and does not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The SEC Reports, when they were filed with the Commission, conformed in all material respects to the requirements of the Exchange Act and the applicable rules and regulations, and none of such documents, when they were filed with the Commission, contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein (with respect to the SEC Reports incorporated by reference in the Prospectus), in light of the circumstances under which they were made not misleading; and any further documents so filed and incorporated by reference in the Prospectus, when such documents are filed with the Commission, will conform in all material respects to the requirements of the Exchange Act and the applicable rules and regulations, as applicable, and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made not misleading. No post-effective amendment to the Registration Statement reflecting any facts or events arising after the date thereof which represent, individually or in the aggregate, a fundamental change in the information set forth therein is required to be filed with the Commission. There are no documents required to be filed with the Commission in connection with the transaction contemplated hereby that (x) have not been filed as required pursuant to the Securities Act or (y) will not be filed within the requisite time period. There are no contracts or other documents required to be described in the Preliminary Prospectus or Prospectus, or to be filed as exhibits or schedules to the Registration Statement, which have not been described or filed as required. The press releases disseminated by the Company during the twelve months preceding the date of this Agreement taken as a whole do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made and when made, not misleading.

(aa) No Integrated Offering. Neither the Company, nor any of its Affiliates, nor any Person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would cause this offering of the Securities to be integrated with prior offerings by the Company for purposes of any applicable stockholder approval provisions of any Trading Market on which any of the securities of the Company are listed or designated.

(bb) Solvency. Based on the consolidated financial condition of the Company as of the Closing Date, after giving effect to the receipt by the Company of the proceeds from the sale of the Securities hereunder, (i) the fair saleable value of the Company's assets exceeds the amount that will be required to be paid on or in respect of the Company's existing debts and other liabilities (including known contingent liabilities) as they mature, (ii) the Company's assets do not constitute unreasonably small capital to carry on its business as now conducted and as proposed to be conducted including its capital needs taking into account the particular capital requirements of the business conducted by the Company, consolidated and projected capital requirements and capital availability thereof, and (iii) the current cash flow of the Company, together with the proceeds the Company would receive, were it to liquidate all of its assets, after taking into account all anticipated uses of the cash, would be sufficient to pay all amounts on or in respect of its liabilities when such amounts are required to be paid. The Company does not intend to incur debts beyond its ability to pay such debts as they mature (taking into account the timing and amounts of cash to be payable on or in respect of its debt). The Company has no knowledge of any facts or circumstances which lead it to believe that it will file for reorganization or liquidation under the bankruptcy or reorganization laws of any jurisdiction within one year from the Closing Date. The Company is not in default with respect to any Indebtedness.

(cc) Tax Status. Except for matters that would not, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect, the Company (i) has made or filed all United States federal, state and local income and all foreign income and franchise tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations and (iii) has set aside on its books provision reasonably adequate for the payment of all material taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company know of no basis for any such claim. The provisions for taxes payable, if any, shown on the financial statements filed with or as part of the Registration Statement are sufficient for all accrued and unpaid taxes, whether or not disputed, and for all periods to and including the dates of such consolidated financial statements. The term "taxes" mean all federal, state, local, foreign, and other net income, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, profits, license, lease, service, service use, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, windfall profits, customs, duties or other taxes, fees, assessments, or charges of any kind whatsoever, together with any interest and any penalties, additions to tax, or additional amounts with respect thereto. The term "returns" means all returns, declarations, reports, statements, and other documents required to be filed in respect to taxes.

(dd) Foreign Corrupt Practices. Neither the Company, nor to the knowledge of the Company, any agent or other person acting on behalf of the Company, has (i) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Company (or made by any person acting on its behalf of which the Company is aware) which is in violation of law, or (iv) violated in any material respect any provision of FCPA. The Company has taken reasonable steps to ensure that its accounting controls and procedures are sufficient to cause the Company to comply in all material respects with the FCPA.

(ee) Accountants. The Company's independent registered public accounting firm is currently Wolf & Company, P.C. To the knowledge and belief of the Company, the Company Auditor (i) is an independent registered public accounting firm as required by the Exchange Act and (ii) shall express its opinion with respect to the financial statements to be included in the Company's Annual Report for the fiscal year ending December 31, 2024. The Company Auditor has not, during the periods covered by the financial statements included in the Prospectus, provided to the Company any non-audit services, as such term is used in Section 10A(g) of the Exchange Act.

(ff) Stock Option Plans. Each stock option granted by the Company under the Company's stock option plan was granted (i) in accordance with the terms of the Company's stock option plan and (ii) with an exercise price at least equal to the fair market value of the Common Stock on the date such stock option would be considered granted under GAAP and applicable law. No stock option granted under the Company's stock option plan has been backdated. The Company has not knowingly granted, and there is no and has been no Company policy or practice to knowingly grant, stock options prior to, or otherwise knowingly coordinate the grant of stock options with, the release or other public announcement of material information regarding the Company or its financial results or prospects.

(gg) Office of Foreign Assets Control. Neither the Company nor, to the Company's knowledge, any director, officer, agent, employee or affiliate of the Company is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department.

(hh) U.S. Real Property Holding Corporation. The Company is not and has never been a U.S. real property holding corporation within the meaning of Section 897 of the Internal Revenue Code of 1986, as amended, and the Company shall so certify upon the Representative's request.

(ii) Bank Holding Company Act. Neither the Company nor any of its Affiliates is subject to the Bank Holding Company Act of 1956, as amended (the "BHCA") and to regulation by the Board of Governors of the Federal Reserve System (the "Federal Reserve"). Neither the Company nor any of its Affiliates owns or controls, directly or indirectly, five percent (5%) or more of the outstanding shares of any class of voting securities or twenty-five percent (25%) or more of the total equity of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve. Neither the Company nor any of its Affiliates exercises a controlling influence over the management or policies of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve.

(jj) Money Laundering. The operations of the Company is and has been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering statutes and applicable rules and regulations thereunder (collectively, the “Money Laundering Laws”), and no Action or Proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(kk) D&O Questionnaires. To the Company’s knowledge, all information contained in the questionnaires completed by each of the Company’s directors and officers immediately prior to the Offering as well as in the Lock-Up Agreement provided to the Underwriters is true and correct in all respects and the Company has not become aware of any information which would cause the information disclosed in such questionnaires become inaccurate and incorrect.

(ll) FINRA Affiliation. No officer, director or any beneficial owner of 10% or more of the Company’s unregistered securities has any direct or indirect affiliation or association with any FINRA member (as determined in accordance with the rules and regulations of FINRA) that is participating in the Offering. Except for securities purchased on the open market, no Company Affiliate is an owner of stock or other securities of any member of FINRA. No Company Affiliate has made a subordinated loan to any member of FINRA. No proceeds from the sale of the Securities (excluding underwriting compensation as disclosed in the Registration Statement and the Prospectus) will be paid to any FINRA member, any persons associated with a FINRA member or an affiliate of a FINRA member. Except as disclosed in the Prospectus, the Company has not issued any warrants or other securities or granted any options, directly or indirectly, to the Representatives or any of the Underwriters named on Schedule I hereto within the 180-day period prior to the initial filing date of the Prospectus. Except for securities issued to the Representatives as disclosed in the Prospectus and securities sold by the Representatives on behalf of the Company, no person to whom securities of the Company have been privately issued within the 180-day period prior to the initial filing date of the Prospectus is a FINRA member, is a person associated with a FINRA member or is an affiliate of a FINRA member. No FINRA member participating in the Offering has a conflict of interest with the Company. For this purpose, a “conflict of interest” exists when a FINRA member, the parent or affiliate of a FINRA member or any person associated with a FINRA member in the aggregate beneficially own 10% or more of the Company’s outstanding subordinated debt or common equity, or 10% or more of the Company’s preferred equity. “FINRA member participating in the Offering” includes any associated person of a FINRA member that is participating in the Offering, any member of such associated person’s immediate family and any affiliate of a FINRA member that is participating in the Offering. “Any person associated with a FINRA member” means (1) a natural person who is registered or has applied for registration under the rules of FINRA and (2) a sole proprietor, partner, officer, director, or branch manager of a FINRA member, or other natural person occupying a similar status or performing similar functions, or a natural person engaged in the investment banking or securities business who is directly or indirectly controlling or controlled by a FINRA member. When used in this Section 3.1(mm) the term “affiliate of a FINRA member” or “affiliated with a FINRA member” means an entity that controls, is controlled by or is under common control with a FINRA member. The Company will advise the Representative and Loeb if it learns that any officer, director or owner of 10% or more of the Company’s outstanding shares of Common Stock or Common Stock Equivalents is or becomes an affiliate or associated person of a FINRA member firm.

(mm) Officers’ Certificate. Any certificate signed by any duly authorized officer of the Company and delivered to the Representative or Loeb shall be deemed a representation and warranty by the Company to the Underwriters as to the matters covered thereby.

(nn) Board of Directors. The Board of Directors is comprised of the persons set forth under the heading of the Prospectus captioned “Management.” The qualifications of the persons serving as board members and the overall composition of the Board of Directors comply with the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder applicable to the Company and the rules of the Trading Market. At least one member of the Board of Directors qualifies as a “financial expert” as such term is defined under the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder and the rules of the Trading Market. In addition, at least a majority of the persons serving on the Board of Directors qualify as “independent” as defined under the rules of the Trading Market.

#### **ARTICLE IV. OTHER AGREEMENTS OF THE PARTIES**

4.1 Amendments to Registration Statement. The Company has delivered, or will as promptly as practicable deliver, to the Underwriters complete conformed copies of the Registration Statement and of each consent and certificate of experts, as applicable, filed as a part thereof, and conformed copies of the Registration Statement (without exhibits), the Prospectus, as amended or supplemented, and the General Disclosure Package in such quantities and at such places as an Underwriter reasonably requests. Neither the Company nor any of its directors and officers has distributed and none of them will distribute, prior to the Closing Date, any offering material in connection with the Offering and sale of the Securities other than the Prospectus, the General Disclosure Package, the Registration Statement, and copies of the documents incorporated by reference therein. The Company shall not file any such amendment or supplement to which the Representative shall reasonably object in writing.

#### 4.2 Federal Securities Laws.

(a) Compliance. During the time when a Prospectus is required to be delivered under the Securities Act, the Company will use its best efforts to comply with all requirements imposed upon it by the Securities Act and the rules and regulations thereunder and the Exchange Act and the rules and regulations thereunder, as from time to time in force, so far as necessary to permit the continuance of sales of or dealings in the Securities in accordance with the provisions hereof and the Prospectus. If at any time when a Prospectus relating to the Securities is required to be delivered under the Securities Act, any event shall have occurred as a result of which, in the opinion of counsel for the Company or counsel for the Underwriters, the Prospectus, as then amended or supplemented, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Prospectus to comply with the Securities Act, the Company will notify the Underwriters promptly and prepare and file with the Commission, subject to Section 4.1 hereof, an appropriate amendment or supplement in accordance with Section 10 of the Securities Act.

(b) Filing of Final Prospectus. The Company will file the final Prospectus (in form and substance satisfactory to the Representative) with the Commission pursuant to the requirements of Rule 424.

(c) Exchange Act Registration. For a period of three years from the Execution Date, the Company will use its best efforts to maintain the registration of the Common Stock under the Exchange Act. The Company will not deregister the Common Stock under the Exchange Act without the prior written consent of the Representative.

(d) Free Writing Prospectuses. The Company represents and agrees that it has not made and will not make any offer relating to the Securities that would constitute an issuer free writing prospectus, as defined in Rule 433 of the rules and regulations under the Securities Act, without the prior written consent of the Representative. Any such free writing prospectus consented to by the Representative is herein referred to as a "Permitted Free Writing Prospectus." The Company represents that it will treat each Permitted Free Writing Prospectus as an "issuer free writing prospectus" as defined in rule and regulations under the Securities Act, and has complied and will comply with the applicable requirements of Rule 433 of the Securities Act, including timely Commission filing where required, legending and record keeping.

4.3 Delivery to the Underwriters of Prospectuses. The Company will deliver to the Underwriters, without charge, from time to time during the period when the Prospectus is required to be delivered under the Securities Act or the Exchange Act such number of copies of each Prospectus as the Underwriters may reasonably request and, as soon as the Registration Statement or any amendment or supplement thereto becomes effective, deliver to you two original executed Registration Statements, including exhibits, and all post-effective amendments thereto and copies of all exhibits filed therewith or incorporated therein by reference and all original executed consents of certified experts.

4.4 Effectiveness and Events Requiring Notice to the Underwriters. The Company will use its best efforts to cause the Registration Statement to remain effective with a current prospectus until the date on which the Warrants are no longer outstanding, and will notify the Underwriters and holders of the Warrants immediately and confirm the notice in writing: (i) of the effectiveness of the Registration Statement and any amendment thereto; (ii) of the issuance by the Commission of any stop order or of the initiation, or the threatening, of any proceeding for that purpose; (iii) of the issuance by any state securities commission of any proceedings for the suspension of the qualification of the Securities for offering or sale in any jurisdiction or of the initiation, or the threatening, of any proceeding for that purpose; (iv) of the mailing and delivery to the Commission for filing of any amendment or supplement to the Registration Statement or Prospectus; (v) of the receipt of any comments or request for any additional information from the Commission; and (vi) of the happening of any event during the period described in this Section 4.4 that, in the judgment of the Company, makes any statement of a material fact made in the Registration Statement, the General Disclosure Package, or the Prospectus untrue or that requires the making of any changes in the Registration Statement, the General Disclosure Package, or the Prospectus in order to make the statements therein, in light of the circumstances under which they were made, not misleading. If the Commission or any state securities commission shall enter a stop order or suspend such qualification at any time, the Company will make every reasonable effort to obtain promptly the lifting of such order.

4.5 Review of Financial Statements. For a period of three (3) years from the Execution Date, the Company, at its expense, shall cause its regularly engaged independent registered public accountants to review (but not audit) the Company's financial statements for each of the first three fiscal quarters prior to the announcement of quarterly financial information.



#### 4.6 Reports to the Underwriters; Expenses of the Offering.

(a) Periodic Reports, etc. For a period of three years from the Execution Date, the Company will furnish to the Underwriters copies of such financial statements and other periodic and special reports as the Company from time to time furnishes generally to holders of any class of its securities and also promptly furnish to the Underwriters: (i) a copy of each periodic report the Company shall be required to file with the Commission; (ii) a copy of every press release and every news item and article with respect to the Company or its affairs which was released by the Company; (iii) a copy of each Form 8-K prepared and filed by the Company; (iv) a copy of each registration statement filed by the Company under the Securities Act; (v) such additional documents and information with respect to the Company and the affairs of any future Subsidiaries of the Company as the Representative may from time to time reasonably request; provided that the Underwriters shall each sign, if requested by the Company, a Regulation FD compliant confidentiality agreement which is reasonably acceptable to the Representative in connection with such Underwriter's receipt of such information. Documents filed with the Commission pursuant to its EDGAR system shall be deemed to have been delivered to the Underwriters pursuant to this Section.

(b) Transfer Sheets. For a period of three (3) years from the Execution Date, the Company shall retain the Transfer Agent or a transfer and registrar agent acceptable to the Representative and will furnish to the Underwriters at the Company's sole cost and expense such transfer sheets of the Company's securities as an Underwriter may reasonably request, including the daily and monthly consolidated transfer sheets of the Transfer Agent and the DTC.

(c) Trading Reports. During such time as the Closing Shares, Option Shares and Warrant Shares are listed on the Trading Market, the Company shall provide to the Underwriters, at the Company's expense, such reports published by the Trading Market relating to price and trading of such shares, as the Underwriters shall reasonably request.

(d) General Expenses Related to the Offering. The Company hereby agrees to pay on each of the Closing Date and each Option Closing Date, if any, to the extent not paid at the Closing Date, all expenses incident to the performance of the obligations of the Company under this Agreement, including, but not limited to: (a) all filing fees and communication expenses relating to the registration of the Securities to be sold in the Offering (including the Option Securities) with the Commission; (b) all FINRA Public Offering Filing System fees associated with the review of the Offering by FINRA; (c) all fees and expenses relating to the listing of such Closing Shares, Option Shares and Warrant Shares on the Trading Market and such other stock exchanges as the Company and the Representative together determine; (d) all fees, expenses and disbursements relating to background checks of the Company's officers and directors; (e) all fees, expenses and disbursements relating to the registration or qualification of such Securities under the "blue sky" securities laws of such states and other jurisdictions as the Representative may reasonably designate (including, without limitation, all filing and registration fees, and the fees and expenses of Blue Sky counsel); (f) all fees and expenses associated with the i-Deal system and NetRoadshow; (g) all "road show" expenses, including, without limitation, travel and lodging expenses associated with such trips, (h) the costs of all mailing and printing of the underwriting documents (including, without limitation, the Underwriting Agreement, any Blue Sky Surveys and, if appropriate, any Agreement Among Underwriters, Selected Dealers' Agreement, Underwriters' Questionnaire and Power of Attorney), Registration Statements, Prospectuses and all amendments, supplements and exhibits thereto and as many preliminary and final Prospectuses as the Representative may reasonably deem necessary; (i) the costs and expenses of the Company's public relations firm; (j) the costs of preparing, printing and delivering the Securities; (k) fees and expenses of the Transfer Agent for the Securities; (l) stock transfer and/or stamp taxes, if any, payable upon the transfer of securities from the Company to the Underwriters; (m) the fees and expenses of the Company's accountants; and (n) the fees and expenses of the Company's legal counsel and other agents and representatives. Upon the Representative's request, the Company shall provide funds to pay all out-of-pocket fees, expenses and disbursements (including legal fees and expenses) of the Representative incurred as a result of providing services related to the Offering, with the aggregate maximum expense allowance to be capped at \$220,000. The Underwriters may also deduct from the net proceeds of the Offering payable to the Company on the Closing Date, or each Option Closing Date, if any, the expenses set forth herein to be paid by the Company to the Underwriters. The Company further agrees that, in addition to the expenses payable pursuant to this Section 4(d), at the Closing it will pay to the Representative a non-accountable expense allowance equal to one percent (1.0%) of the gross proceeds received by the Company from the sale of the Closing Securities by deduction from the proceeds of the Offering.

4.7 Application of Net Proceeds. The Company will apply the net proceeds from the Offering received by it in a manner consistent with the application described under the caption “Use of Proceeds” in the Prospectus.

4.8 Delivery of Earnings Statements to Security Holders. The Company will make generally available to its security holders as soon as practicable, but not later than the first day of the fifteenth full calendar month following the Execution Date, an earnings statement (which need not be certified by independent public or independent certified public accountants unless required by the Securities Act or the Rules and Regulations under the Securities Act, but which shall satisfy the provisions of Rule 158(a) under Section 11(a) of the Securities Act) covering a period of at least twelve consecutive months beginning after the Execution Date.

4.9 Stabilization. Neither the Company, nor, to its knowledge, any of its employees, directors or stockholders (without the consent of the Representative) has taken or will take, directly or indirectly, any action designed to or that has constituted or that might reasonably be expected to cause or result in, under the Exchange Act, or otherwise, stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities.

4.10 Internal Controls. The Company will maintain a system of internal accounting controls sufficient to provide reasonable assurances that: (i) transactions are executed in accordance with management’s general or specific authorization; (ii) transactions are recorded as necessary in order to permit preparation of financial statements in accordance with GAAP and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management’s general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

4.11 Accountants. The Company shall continue to retain a nationally recognized independent certified public accounting firm for a period of at least three years after the Execution Date. The Underwriters acknowledge that the Company Auditor is acceptable to the Underwriters.

4.12 FINRA. The Company shall advise the Underwriters (who shall make an appropriate filing with FINRA) if it is aware that any officer, director, 10% or greater stockholder of the Company or Person that received the Company’s unregistered equity securities in the past 180 days is or becomes an affiliate or associated person of a FINRA member firm prior to the earlier of the termination of this Agreement or the conclusion of the distribution of the Offering.

4.13 No Fiduciary Duties. The Company acknowledges and agrees that the Underwriters’ responsibility to the Company is solely contractual and commercial in nature, based on arms-length negotiations and that neither the Underwriters nor their affiliates or any selected dealer shall be deemed to be acting in a fiduciary capacity, or otherwise owes any fiduciary duty to the Company or any of its affiliates in connection with the Offering and the other transactions contemplated by this Agreement. Notwithstanding anything in this Agreement to the contrary, the Company acknowledges that the Underwriters may have financial interests in the success of the Offering that are not limited to the difference between the price to the public and the purchase price paid to the Company by the Underwriters for the shares and the Underwriters have no obligation to disclose, or account to the Company for, any of such additional financial interests. The Company hereby waives and releases, to the fullest extent permitted by law, any claims that the Company may have against the Underwriters with respect to any breach or alleged breach of fiduciary duty.

4.14 Warrant Shares. If all or any portion of a Warrant is exercised at a time when there is an effective registration statement to cover the issuance of the Warrant Shares or if the Warrant is exercised via cashless exercise, the Warrant Shares issued pursuant to any such exercise shall be issued free of all restrictive legends. If at any time following the date hereof the Registration Statement (or any subsequent registration statement registering the sale or resale of the Warrant Shares) is not effective or is not otherwise available for the sale of the Warrant Shares, the Company shall immediately notify the holders of the Warrants in writing that such registration statement is not then effective and thereafter shall promptly notify such holders when the registration statement is effective again and available for the sale of the Warrant Shares (it being understood and agreed that the foregoing shall not limit the ability of the Company to issue, or any holder thereof to sell, any of the Warrant Shares in compliance with applicable federal and state securities laws).

4.15 Board Composition and Board Designations. The Company shall ensure that: (i) the qualifications of the persons serving as board members and the overall composition of the Board of Directors comply with the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder and with the listing requirements of the Trading Market and (ii) if applicable, at least one member of the Board of Directors qualifies as a “financial expert” as such term is defined under the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder.

4.16 Securities Laws Disclosure; Publicity. At the request of the Representative, by 9:00 a.m. (New York City time) on the date hereof, the Company shall issue a press release disclosing the material terms of the Offering. The Company and the Representative shall consult with each other in issuing any other press releases with respect to the Offering, and neither the Company nor any Underwriter shall issue any such press release nor otherwise make any such public statement without the prior consent of the Company, with respect to any press release of such Underwriter, or without the prior consent of such Underwriter, with respect to any press release of the Company, which consent shall not unreasonably be withheld or delayed, except if such disclosure is required by law, in which case the disclosing party shall promptly provide the other party with prior notice of such public statement or communication. The Company will not issue press releases or engage in any other publicity, without the Representative’s prior written consent, for a period ending at 5:00 p.m. (New York City time) on the first business day following the 45th day following the Closing Date, other than normal and customary releases issued in the ordinary course of the Company’s business.

4.17 Stockholder Rights Plan. No claim will be made or enforced by the Company or, with the consent of the Company, any other Person, that any Underwriter of the Securities is an “Acquiring Person” under any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or similar anti-takeover plan or arrangement in effect or hereafter adopted by the Company, or that any Underwriter of Securities could be deemed to trigger the provisions of any such plan or arrangement, by virtue of receiving Securities.

4.18 Reservation of Common Stock. As of the date hereof, the Company has reserved and the Company shall continue to reserve and keep available at all times, free of preemptive rights, a sufficient number of shares of Common Stock for the purpose of enabling the Company to issue Option Shares pursuant to the Over-Allotment Option and Warrant Shares pursuant to any exercise of the Warrants.

4.19 Listing of Common Stock. The Company hereby agrees to use best efforts to maintain the listing or quotation of the Common Stock on the Trading Market on which it is currently listed for a period of at least three (3) years, and the Company shall have applied to list or quote all of the Closing Shares, Option Shares and Warrant Shares on such Trading Market and promptly secure the listing of all of the Closing Shares, Option Shares and Warrant Shares on such Trading Market. The Company further agrees, if the Company applies to have the Common Stock traded on any other Trading Market, it will then include in such application all of the Closing Shares, Option Shares and Warrant Shares, and will take such other action as is necessary to cause all of the Closing Shares, Option Shares and Warrant Shares to be listed or quoted on such other Trading Market as promptly as possible. The Company will then take all action reasonably necessary to continue the listing and trading of its Common Stock on a Trading Market and will comply in all respects with the Company's reporting, filing and other obligations under the bylaws or rules of the Trading Market. The Company agrees to maintain the eligibility of the Common Stock for electronic transfer through the Depository Trust Company or another established clearing corporation, including, without limitation, by timely payment of fees to the Depository Trust Company or such other established clearing corporation in connection with such electronic transfer.

4.20 Financial Public Relations Firm. As of the Execution Date, the Company shall have retained a financial public relations firm reasonably acceptable to the Representative and the Company, which firm will be experienced in assisting issuers in public offerings of securities and in their relations with their security holders, and shall retain such firm or another firm reasonably acceptable to the Representative for a period of not less than two (2) years after the Execution Date.

4.21 Financial Printer. The Company shall have retained a financial printer acceptable to the Representative to handle the printing and related aspects of the Offering.

4.22 Research Independence. The Company acknowledges that each Underwriter's research analysts and research departments, if any, are required to be independent from their respective investment banking divisions and are subject to certain regulations and internal policies, and that such Underwriter's research analysts may hold and make statements or investment recommendations and/or publish research reports with respect to the Company and/or the Offering that differ from the views of its investment bankers. The Company hereby waives and releases, to the fullest extent permitted by law, any claims that the Company may have against such Underwriter with respect to any conflict of interest that may arise from the fact that the views expressed by their independent research analysts and research departments may be different from or inconsistent with the views or advice communicated to the Company by such Underwriter's investment banking divisions. The Company acknowledges that the Representative is a full service securities firm and as such from time to time, subject to applicable securities laws, may effect transactions for its own account or the account of its customers and hold long or short position in debt or equity securities of the Company.

4.23 Right of First Refusal. The Company hereby grants the Representative the right of first refusal for a period of fifteen (15) months after the closing of this Offering to act as sole investment banker, sole book-runner and/or sole placement agent, at the Representative's sole discretion, for any and all future private and public equity, or debt offerings, including all equity linked financings (each a "Subject Transaction"), undertaken by the Company or any successor to or current or future subsidiary of the Company. The Representative shall have the sole right to determine whether any other broker dealer shall have the right to participate in a Subject Transaction and the economic terms of such participation. The Company shall not retain, engage or solicit any additional investment banker, book-runner, financial advisor, underwriter and/or placement agent in a Subject Transaction without the prior written consent of the Representative.

#### 4.24 Company Lock-Up Agreements.

4.24.1. Restriction on Sale of Capital Stock. The Company, on behalf of itself and any successor entity, agrees that, without the prior written consent of the Representative, it will not, for a period of one hundred and eighty (180) days after the date of this Agreement (the "Lock-Up Period"), (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of capital stock of the Company or any securities convertible into or exercisable or exchangeable for shares of capital stock of the Company; or (ii) complete any offering of debt securities of the Company (other than debt securities convertible into shares of Common Stock of the Company); or (iii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or Warrants, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of shares of capital stock of the Company or such other securities, in cash or otherwise.

The restrictions contained in this Section 4.24.1 shall not apply to (i) the Securities to be sold hereunder, (ii) the issuance by the Company of Shares or Warrants upon the exercise of a stock option, warrant or restricted stock unit ("RSUs") or the conversion of a security outstanding on the date hereof, of which the Representative has been advised in writing, provided that such securities have not been amended since the date of this Agreement to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities (other than in connection with stock splits or combinations) or to extend the term of such securities, (iii) the issuance by the Company of stock options, shares or RSUs of capital stock of the Company under any equity compensation plan of the Company or (iv) the filing of a registration statement on Form S-8 with the Commission.

Notwithstanding the foregoing, if (i) during the last 17 days of the Lock-Up Period, the Company issues an earnings release or material news or a material event relating to the Company occurs, or (ii) prior to the expiration of the Lock-Up Period, the Company announces that it will release earnings results or becomes aware that material news or a material event will occur during the 16-day period beginning on the last day of the Lock-Up Period, the restrictions imposed by this Section 3.17.1 shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of such material news or material event, as applicable, unless the Representative waives, in writing, such extension; provided, however, that this extension of the Lock-Up Period shall not apply to the extent that FINRA has amended or repealed NASD Rule 2711(f)(4), or has otherwise provided written interpretive guidance regarding such rule, in each case, so as to eliminate the prohibition of any broker, dealer, or member of a national securities association from publishing or distributing any research report, with respect to the securities of an Emerging Growth Company prior to or after the expiration of any agreement between the broker, dealer, or member of a national securities association and the Emerging Growth Company or its stockholders that restricts or prohibits the sale of securities held by the Emerging Growth Company or its stockholders after the initial public offering date.

4.24.2. Restriction on Continuous Offerings. Notwithstanding the restrictions contained in Section 4.24.1, the Company, on behalf of itself and any successor entity, agrees that, without the prior written consent of the Representative, it will not, for a period of 12 months after the date of this Agreement, directly or indirectly in any "at-the-market" or continuous equity transaction, offer to sell, sell, contract to sell, grant any option to sell or otherwise dispose of shares of capital stock of the Company or any securities convertible into or exercisable or exchangeable for shares of capital stock of the Company.

4.24.3. Insider Lock-Up Agreements. The Company's directors and officers, and each holder of Common Stock and Common Stock Equivalents holding, on a fully diluted basis, of 5% or more of the Company's issued and outstanding Common Stock, will enter into the Lock-Up Agreements.

**ARTICLE V.  
DEFAULT BY UNDERWRITERS**

If on the Closing Date or any Option Closing Date, if any, any Underwriter shall fail to purchase and pay for the portion of the Closing Securities or Option Securities, as the case may be, which such Underwriter has agreed to purchase and pay for on such date (otherwise than by reason of any default on the part of the Company), the Representative, or if the Representative is the defaulting Underwriter, the non-defaulting Underwriters, shall use their reasonable efforts to procure within 36 hours thereafter one or more of the other Underwriters, or any others, to purchase from the Company such amounts as may be agreed upon and upon the terms set forth herein, the Closing Securities or Option Securities, as the case may be, which the defaulting Underwriter or Underwriters failed to purchase. If during such 36 hours the Representative shall not have procured such other Underwriters, or any others, to purchase the Closing Securities or Option Securities, as the case may be, agreed to be purchased by the defaulting Underwriter or Underwriters, then (a) if the aggregate number of Closing Securities or Option Securities, as the case may be, with respect to which such default shall occur does not exceed 10% of the Closing Securities or Option Securities, as the case may be, covered hereby, the other Underwriters shall be obligated, severally, in proportion to the respective numbers of Closing Securities or Option Securities, as the case may be, which they are obligated to purchase hereunder, to purchase the Closing Securities or Option Securities, as the case may be, which such defaulting Underwriter or Underwriters failed to purchase, or (b) if the aggregate number of Closing Securities or Option Securities, as the case may be, with respect to which such default shall occur exceeds 10% of the Closing Securities or Option Securities, as the case may be, covered hereby, the Company or the Representative will have the right to terminate this Agreement without liability on the part of the non-defaulting Underwriters or of the Company except to the extent provided in Article VI hereof. In the event of a default by any Underwriter or Underwriters, as set forth in this Article V, the applicable Closing Date may be postponed for such period, not exceeding seven days, as the Representative, or if the Representative is the defaulting Underwriter, the non-defaulting Underwriters, may determine in order that the required changes in the Prospectus or in any other documents or arrangements may be effected. The term "Underwriter" includes any person substituted for a defaulting Underwriter. Any action taken under this Section shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

**ARTICLE VI.  
INDEMNIFICATION**

6.1 Indemnification of the Underwriters. Subject to the conditions set forth below, the Company agrees to indemnify and hold harmless the Underwriters, and each dealer selected by each Underwriter that participates in the offer and sale of the Securities (each a "Selected Dealer") and each of their respective directors, officers and employees and each Person, if any, who controls such Underwriter or any Selected Dealer ("Controlling Person") within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, against any and all loss, liability, claim, damage and expense whatsoever (including but not limited to any and all legal or other expenses reasonably incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever, whether arising out of any action between such Underwriter and the Company or between such Underwriter and any third party or otherwise) to which they or any of them may become subject under the Securities Act, the Exchange Act or any other statute or at common law or otherwise or under the laws of foreign countries, arising out of or based upon any untrue statement or alleged untrue statement of a material fact contained in (i) any Preliminary Prospectus, if any, the Registration Statement or the Prospectus (as from time to time each may be amended and supplemented); (ii) any materials or information provided to investors by, or with the approval of, the Company in connection with the marketing of the Offering of the Securities, including any "road show" or investor presentations made to investors by the Company (whether in person or electronically); or (iii) any application or other document or written communication (in this Article VI, collectively called "application") executed by the Company or based upon written information furnished by the Company in any jurisdiction in order to qualify the Securities under the securities laws thereof or filed with the Commission, any state securities commission or agency, Trading Market or any securities exchange; or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, unless such statement or omission was made in reliance upon and in conformity with written information furnished to the Company with respect to the applicable Underwriter by or on behalf of such Underwriter expressly for use in any Preliminary Prospectus, if any, the Registration Statement or Prospectus, or any amendment or supplement thereto, or in any application, as the case may be. With respect to any untrue statement or omission or alleged untrue statement or omission made in the Preliminary Prospectus, if any, the indemnity agreement contained in this Section 6.1 shall not inure to the benefit of an Underwriter to the extent that any loss, liability, claim, damage or expense of such Underwriter results from the fact that a copy of the Prospectus was not given or sent to the Person asserting any such loss, liability, claim or damage at or prior to the written confirmation of sale of the Securities to such Person as required by the Securities Act and the rules and regulations thereunder, and if the untrue statement or omission has been corrected in the Prospectus, unless such failure to deliver the Prospectus was a result of non-compliance by the Company with its obligations under this Agreement. The Company agrees promptly to notify each Underwriter of the commencement of any litigation or proceedings against the Company or any of its officers, directors or Controlling Persons in connection with the issue and sale of the Public Securities or in connection with the Registration Statement or Prospectus.

6.2 Procedure. If any action is brought against an Underwriter, a Selected Dealer or a Controlling Person in respect of which indemnity may be sought against the Company pursuant to Section 6.1, such Underwriter, such Selected Dealer or Controlling Person, as the case may be, shall promptly notify the Company in writing of the institution of such action and the Company shall assume the defense of such action, including the employment and fees of counsel (subject to the reasonable approval of such Underwriter or such Selected Dealer, as the case may be) and payment of actual expenses. Such Underwriter, such Selected Dealer or Controlling Person shall have the right to employ its or their own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of such Underwriter, such Selected Dealer or Controlling Person unless (i) the employment of such counsel at the expense of the Company shall have been authorized in writing by the Company in connection with the defense of such action, or (ii) the Company shall not have employed counsel to have charge of the defense of such action, or (iii) such indemnified party or parties shall have reasonably concluded that there may be defenses available to it or them which are different from or additional to those available to the Company (in which case the Company shall not have the right to direct the defense of such action on behalf of the indemnified party or parties), in any of which events the reasonable fees and expenses of not more than one additional firm of attorneys selected by such Underwriter (in addition to local counsel), Selected Dealer and/or Controlling Person shall be borne by the Company. Notwithstanding anything to the contrary contained herein, if any Underwriter, Selected Dealer or Controlling Person shall assume the defense of such action as provided above, the Company shall have the right to approve the terms of any settlement of such action which approval shall not be unreasonably withheld.

6.3 Indemnification of the Company. Each Underwriter severally and not jointly agrees to indemnify and hold harmless the Company, its directors, officers and employees and agents who control the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act against any and all loss, liability, claim, damage and expense described in the foregoing indemnity from the Company to such Underwriter, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions made in any Preliminary Prospectus, if any, the Registration Statement or Prospectus or any amendment or supplement thereto or in any application, in reliance upon, and in strict conformity with, written information furnished to the Company with respect to such Underwriter by or on behalf of such Underwriter expressly for use in such Preliminary Prospectus, if any, the Registration Statement or Prospectus or any amendment or supplement thereto or in any such application. In case any action shall be brought against the Company or any other Person so indemnified based on any Preliminary Prospectus, if any, the Registration Statement or Prospectus or any amendment or supplement thereto or any application, and in respect of which indemnity may be sought against such Underwriter, such Underwriter shall have the rights and duties given to the Company, and the Company and each other Person so indemnified shall have the rights and duties given to such Underwriter by the provisions of this Article VI. Notwithstanding the provisions of this Section 6.3, no Underwriter shall be required to indemnify the Company for any amount in excess of the underwriting discounts and commissions applicable to the Securities purchased by such Underwriter. The Underwriters' obligations in this Section 6.3 to indemnify the Company are several in proportion to their respective underwriting obligations and not joint.

#### 6.4 Contribution.

(a) Contribution Rights. In order to provide for just and equitable contribution under the Securities Act in any case in which (i) any Person entitled to indemnification under this Article VI makes a claim for indemnification pursuant hereto but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case notwithstanding the fact that this Article VI provides for indemnification in such case, or (ii) contribution under the Securities Act, the Exchange Act or otherwise may be required on the part of any such Person in circumstances for which indemnification is provided under this Article VI, then, and in each such case, the Company and each Underwriter, severally and not jointly, shall contribute to the aggregate losses, liabilities, claims, damages and expenses of the nature contemplated by said indemnity agreement incurred by the Company and such Underwriter, as incurred, in such proportions that such Underwriter is responsible for that portion represented by the percentage that the underwriting discount appearing on the cover page of the Prospectus bears to the initial offering price appearing thereon and the Company is responsible for the balance; provided, that, no Person guilty of a fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. For purposes of this Section, each director, officer and employee of such Underwriter or the Company, as applicable, and each Person, if any, who controls such Underwriter or the Company, as applicable, within the meaning of Section 15 of the Securities Act shall have the same rights to contribution as such Underwriter or the Company, as applicable. Notwithstanding the provisions of this Section 6.4, no Underwriter shall be required to contribute any amount in excess of the underwriting discounts and commissions applicable to the Securities purchased by such Underwriter. The Underwriters' obligations in this Section 6.4 to contribute are several in proportion to their respective underwriting obligations and not joint.

(b) Contribution Procedure. Within fifteen days after receipt by any party to this Agreement (or its representative) of notice of the commencement of any action, suit or proceeding, such party will, if a claim for contribution in respect thereof is to be made against another party (“contributing party”), notify the contributing party of the commencement thereof, but the failure to so notify the contributing party will not relieve it from any liability which it may have to any other party other than for contribution hereunder. In case any such action, suit or proceeding is brought against any party, and such party notifies a contributing party or its representative of the commencement thereof within the aforesaid fifteen days, the contributing party will be entitled to participate therein with the notifying party and any other contributing party similarly notified. Any such contributing party shall not be liable to any party seeking contribution on account of any settlement of any claim, action or proceeding affected by such party seeking contribution without the written consent of such contributing party. The contribution provisions contained in this Section 6.4 are intended to supersede, to the extent permitted by law, any right to contribution under the Securities Act, the Exchange Act or otherwise available.

## ARTICLE VII. MISCELLANEOUS

### 7.1 Termination.

(a) Termination Right. The Representative shall have the right to terminate this Agreement at any time prior to any Closing Date, (i) if any domestic or international event or act or occurrence has materially disrupted, or in its opinion will in the immediate future materially disrupt, general securities markets in the United States; or (ii) if trading on any Trading Market shall have been suspended or materially limited, or minimum or maximum prices for trading shall have been fixed, or maximum ranges for prices for securities shall have been required by FINRA or by order of the Commission or any other government authority having jurisdiction, or (iii) if the United States shall have become involved in a new declared war or an increase in major hostilities, or (iv) if a banking moratorium has been declared by a New York State or federal authority, or (v) if a moratorium on foreign exchange trading has been declared which materially adversely impacts the United States securities markets, or (vi) if the Company shall have sustained a material loss by fire, flood, accident, hurricane, earthquake, theft, sabotage or other calamity or malicious act which, whether or not such loss shall have been insured, will, in the Representative’s opinion, make it inadvisable to proceed with the delivery of the Securities, or (vii) if the Company is in material breach of any of its representations, warranties or covenants hereunder, or (viii) if the Representative shall have become aware after the date hereof of such a material adverse change in the conditions or prospects of the Company, or such adverse material change in general market conditions as in the Representative’s judgment would make it impracticable to proceed with the Offering, sale and/or delivery of the Securities or to enforce contracts made by the Underwriters for the sale of the Securities.

(b) Expenses. In the event this Agreement shall be terminated pursuant to Section 7.1(a), within the time specified herein or any extensions thereof pursuant to the terms herein, the Company shall be obligated to pay to the Representative its actual and accountable out of pocket expenses related to the transactions contemplated herein then due and payable (including up to \$50,000 of the fees and disbursements of Loeb); provided, however, that such expense cap in no way limits or impairs the indemnification and contribution provisions of this Agreement.

(c) Indemnification. Notwithstanding any contrary provision contained in this Agreement, any election hereunder or any termination of this Agreement, and whether or not this Agreement is otherwise carried out, the provisions of Article VI shall not be in any way effected by such election or termination or failure to carry out the terms of this Agreement or any part hereof.



7.2 Entire Agreement. The Transaction Documents, together with the exhibits and schedules thereto, the Preliminary Prospectus and the Prospectus, contain the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules. Notwithstanding anything herein to the contrary, the Engagement Agreement, dated March 28, 2023, as amended or supplemented (“Engagement Agreement”), by and between the Company and the Representative, shall continue to be effective and the terms therein, shall continue to survive and be enforceable by the Representative in accordance with its terms, including, without limitation, Section 10 with respect to the results of a termination of the Engagement Agreement, provided that, in the event of a conflict between the terms of the Engagement Agreement and this Agreement, the terms of this Agreement shall prevail.

7.3 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of: (a) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number or e-mail attachment at the email address set forth on the signature pages attached hereto at or prior to 5:30 p.m. (New York City time) on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number or e-mail attachment at the e-mail address as set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (c) the second (2<sup>nd</sup>) Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto.

7.4 Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Company and the Representative. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right.

7.5 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

7.6 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns.

7.7 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, stockholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any action, suit or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If either party shall commence an action or proceeding to enforce any provisions of the Transaction Documents, then, in addition to the obligations of the Company under Article VI, the prevailing party in such action, suit or proceeding shall be reimbursed by the other party for its reasonable attorneys’ fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding.

7.8 Survival. The representations and warranties contained herein shall survive the Closing and the Option Closing, if any, and the delivery of the Securities.

7.9 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page were an original thereof.

7.10 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

7.11 Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, the Underwriters and the Company will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations contained in the Transaction Documents and hereby agree to waive and not to assert in any action for specific performance of any such obligation the defense that a remedy at law would be adequate.

7.12 Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

7.13 Construction. The parties agree that each of them and/or their respective counsel have reviewed and had an opportunity to revise the Transaction Documents and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Transaction Documents or any amendments thereto. In addition, each and every reference to share prices and shares of Common Stock in any Transaction Document shall be subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the Common Stock that occur after the date of this Agreement.

**7.14 WAIVER OF JURY TRIAL. IN ANY ACTION, SUIT, OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVE FOREVER ANY RIGHT TO TRIAL BY JURY.**

*(Signature Pages Follow)*

If the foregoing correctly sets forth the understanding between the Underwriters and the Company, please so indicate in the space provided below for that purpose, whereupon this letter shall constitute a binding agreement among the Company and the several Underwriters in accordance with its terms.

Very truly yours,

**SEQLL INC.**

By: \_\_\_\_\_

Name: Daniel Jones

Title: Chief Executive Officer

Address for Notice:

Atlantic International Corp.  
(f/k/a SeqLL Inc.)  
270 Sylvan Avenue, Suite 2230  
Englewood Cliffs, NJ 07632  
Attention: Jeffrey Jagid, CEO

Copy to:

Davidoff Hutcher & Citron LLP  
605 Third Avenue, 34<sup>th</sup> Floor  
New York, New York 10158  
Attention: Elliot H. Lutzker, Esq.  
*Accepted on the date first above written.*

**EF HUTTON LLC**

As the Representative of the several  
Underwriters listed on Schedule I

By: \_\_\_\_\_

Name:

Title:

Address for Notice:

EF Hutton LLC  
590 Madison Avenue, 39th Floor  
New York, NY 10022  
Attention: Sam Fleischman  
Email: sfleischman@efhuttongroup.com

Copy to:

Loeb & Loeb LLP  
345 Park Avenue  
New York, New York 10154  
Attention: Mitchell Nussbaum, Esq.  
Email: mnussbaum@loeb.com

**SCHEDULE I**

SCHEDULE OF UNDERWRITERS

Underwriters	Closing Shares	Closing Warrants	Closing Purchase Price
EF Hutton LLC			
Total			

**SCHEDULE II**

LOCK-UP PARTIES

**EXHIBIT A**

**FORM OF LOCK-UP AGREEMENT**

\_\_\_\_\_, 2024

EF Hutton LLC  
590 Madison Avenue, 39th Floor  
New York, NY 10022

Ladies and Gentlemen:

The undersigned understands that EF Hutton LLC (the “**Representative**”) proposes to enter into an Underwriting Agreement (the “**Underwriting Agreement**”) with SeqLL Inc. (to be renamed Atlantic International Corp.), a Delaware corporation (the “**Company**”), providing for the public offering (the “**Public Offering**”) of shares of the Company’s common stock (the “**Common Stock**”).

To induce the Representative to continue its efforts in connection with the Public Offering, the undersigned hereby agrees that, without the prior written consent of the Representative, the undersigned will not, during the period commencing on the date of the Underwriting Agreement and ending hundred and eighty (180) days after such date (the “**Lock-Up Period**”), (1) offer, pledge, sell, contract to sell, grant, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for shares of Common Stock, whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition (collectively, the “**Lock-Up Securities**”); (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Lock-Up Securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Lock-Up Securities, in cash or otherwise; (3) make any demand for or exercise any right with respect to the registration of any Lock-Up Securities; or (4) publicly disclose the intention to make any offer, sale, pledge or disposition, or to enter into any transaction, swap, hedge or other arrangement relating to any Lock-Up Securities. Notwithstanding the foregoing, and subject to the conditions below, the undersigned may transfer Lock-Up Securities without the prior written consent of the Representative in connection with (a) transactions relating to Lock-Up Securities acquired in open market transactions after the completion of the Public Offering; provided that no filing under Section 16(a) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), shall be required or shall be voluntarily made in connection with subsequent sales of Lock-Up Securities acquired in such open market transactions; (b) transfers of Lock-Up Securities (i) as a *bona fide* gift, by will or intestacy, (ii) by operation of law, such as pursuant to a qualified domestic order or as required by a divorce settlement, or (iii) to a family member or trust for the benefit of a family member (for purposes of this lock-up agreement, “family member” means any relationship by blood, marriage or adoption, not more remote than first cousin); (c) transfers of Lock-Up Securities to a charity or educational institution; or (d) if the undersigned, directly or indirectly, controls a corporation, partnership, limited liability company or other business entity, any transfers of Lock-Up Securities to any shareholder, partner or member of, or owner of similar equity interests in, the undersigned, as the case may be; provided that in the case of any transfer pursuant to the foregoing clauses (b), (c) or (d), (i) any such transfer shall not involve a disposition for value, (ii) each transferee shall sign and deliver to the Representative a lock-up agreement substantially in the form of this lock-up agreement and (ii) no filing under Section 16(a) of the Exchange Act shall be required or shall be voluntarily made. In addition, notwithstanding the foregoing, this Letter Agreement shall not restrict the sale or disposition of shares solely for the purpose, and to the extent, of the payment of income taxes by the undersigned in connection with the undersigned’s receipt of shares of Common Stock under the Agreement and Plan of Reorganization dated May 29, 2023, as amended, with the Company and/or the receipt of restricted stock units pursuant to the Merger. The undersigned also agrees and consents to the entry of stop transfer instructions with the Company’s transfer agent and registrar against the transfer of the undersigned’s Lock-Up Securities except in compliance with this lock-up agreement.

If the undersigned is an officer or director of the Company, (i) the undersigned agrees that the foregoing restrictions shall be equally applicable to any Securities that the undersigned may purchase in the Public Offering; (ii) the Representative agrees that, at least three (3) business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of Lock-Up Securities, the Representative will notify the Company of the impending release or waiver; and (iii) the Company has agreed in the Underwriting Agreement to announce the impending release or waiver by press release through a major news service at least two (2) business days before the effective date of the release or waiver. Any release or waiver granted by the Representative hereunder to any such officer or director shall only be effective two (2) business days after the publication date of such press release. The provisions of this paragraph will not apply if (a) the release or waiver is effected solely to permit a transfer of Lock-Up Securities not for consideration and (b) the transferee has agreed in writing to be bound by the same terms described in this lock-up agreement to the extent and for the duration that such terms remain in effect at the time of such transfer.

No provision in this lock-up agreement shall be deemed to restrict or prohibit the exercise, exchange or conversion by the undersigned of any securities exercisable or exchangeable for or convertible into Common Stock, as applicable; provided that the undersigned does not transfer the Common Stock acquired on such exercise, exchange or conversion during the Lock-Up Period, unless otherwise permitted pursuant to the terms of this lock-up agreement. In addition, no provision herein shall be deemed to restrict or prohibit the entry into or modification of a so-called "10b5-1" plan at any time (other than the entry into or modification of such a plan in such a manner as to cause the sale of any Lock-Up Securities within the Lock-Up Period) or a sale of 100% of the Company's outstanding shares of Common Stock.

The undersigned understands that the Company and the Representative are relying upon this lock-up agreement in proceeding toward consummation of the Public Offering. The undersigned further understands that this lock-up agreement is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors and assigns.

The undersigned understands that, if the Underwriting Agreement is not executed by \_\_\_\_\_, 2024, or if the Underwriting Agreement (other than the provisions thereof which survive termination) shall terminate or be terminated prior to payment for and delivery of the securities to be sold thereunder, then this lock-up agreement shall be void and of no further force or effect.

Whether or not the Public Offering actually occurs depends on a number of factors, including market conditions. Any Public Offering will only be made pursuant to an Underwriting Agreement, the terms of which are subject to negotiation between the Company and the Representative.

Very truly yours,

\_\_\_\_\_  
(Name - Please Print)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name of Signatory, in the case of entities - Please Print)

\_\_\_\_\_  
(Title of Signatory, in the case of entities - Please Print)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



WARRANT AGENCY AGREEMENT

WARRANT AGENCY AGREEMENT (this "Agreement"), dated as of May [●], 2024 (the "Issuance Date") between Atlantic International Corp. in connection with the Offering (as defined below), a Delaware corporation (the "Company"), and Vstock Transfer, LLC, a limited liability company organized under the laws of California (the "Warrant Agent").

## WITNESSETH

WHEREAS, pursuant to the terms of that certain Underwriting Agreement ("Underwriting Agreement"), dated May [●], 2024, by and among the Company and EF Hutton, as representative of the underwriters set forth therein (the "Representative"), the Company is engaged in a public offering (the "Offering") of up to 2,300,000 shares of common stock, par value \$0.00001 per share (the "Common Stock") and Series A warrants (the "Series A Warrants") to purchase 2,300,000 shares of Common Stock (the "Series A Warrant Shares") at an exercise price of \$[\_\_\_\_\_] per share and Series B warrants (the "Series B Warrants" and together with the Series A Warrants, the "Warrants") to purchase 2,300,000 shares of Common Stock (the "Series B Warrant Shares" and together with the Series A Warrant Shares, the "Warrant Shares") at an exercise price of \$[\_\_\_\_\_] per share, including 300,000 Shares and 600,000 Warrants issuable pursuant to the underwriters' over-allotment option;

WHEREAS, the Company has filed with the Securities and Exchange Commission (the "Commission") a Post-Effective Amendment to Registration Statement, No. 333-272908, on Form S-1 (as the same may be amended from time to time, the "Registration Statement"), for the registration under the Securities Act of 1933, as amended (the "Securities Act"), of the Shares, the Warrants and the Warrant Shares, and such Registration Statement was first declared effective on February 12, 2024;

WHEREAS, the shares of Common Stock and Warrants to be issued in connection with the Offering shall be issued separately, but will be purchased together in the Offering;

WHEREAS, the Company desires to provide for the provisions of the Warrants, the terms upon which they shall be issued and exercised, and the respective rights, limitation of rights, and immunities of the Company, the Warrant Agent, and the holders (each a "Holder" and collectively, the "Holders") of the Warrants; and

WHEREAS, the Company wishes the Warrant Agent to act on behalf of the Company, and the Warrant Agent is willing so to act, in connection with the issuance, registration, transfer, exchange, exercise and replacement of the Warrants and, in the Warrant Agent's capacity as the Company's transfer agent, the delivery of the Warrant Shares.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein set forth, the parties hereby agree as follows:

Section 1. Certain Definitions. For purposes of this Agreement, all capitalized terms not herein defined shall have the meanings hereby indicated:

(a) Affiliate" has the meaning ascribed to it in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

(b) Business Day" means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York are authorized or required by law to remain closed; provided, however, for clarification, commercial banks shall not be deemed to be authorized or required by law to remain closed due to "stay at home," "shelter-in-place," "non-essential employee" or any other similar orders or restrictions or the closure of any physical branch locations at the direction of any governmental authority so long as the electronic funds transfer systems (including for wire transfers) of commercial banks in The City of New York generally are open for use by customers on such day.

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(c) Close of Business” on any given date means 5:00 p.m., New York City time, on such date; provided, however, that if such date is not a Business Day it means 5:00 p.m., New York City time, on the next succeeding Business Day.

(d) Person” means an individual, corporation, association, partnership, limited liability company, joint venture, trust, unincorporated organization, government or political subdivision thereof or governmental agency or other entity.

(e) Series A Warrant Certificate” means a certificate in substantially the form attached as Exhibit 1 hereto, representing such number of Series A Warrant Shares as is indicated therein, provided that any reference to the delivery of a Warrant Certificate in this Agreement shall include delivery of a Warrant Certificate (as defined below).

(f) Series B Warrant Certificate” means a certificate in substantially the form attached as Exhibit 2 hereto, representing such number of Series B Warrant Shares as is indicated therein, provided that any reference to the delivery of a Warrant Certificate in this Agreement shall include delivery of a Warrant Certificate (as defined below).

(g) Trading Day” means any day on which the Common Stock is traded on the Trading Market, or, if the Trading Market is not the principal trading market for the Common Stock, then on the principal securities exchange or securities market in the United States on which the Common Stock is then traded, provided that “Trading Day” shall not include any day on which the Common Stock is scheduled to trade on such exchange or market for less than 4.5 hours or any day that the Common Stock is suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00 P.M., Eastern Standard Time).

(h) Trading Market” means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: Cboe BZX Exchange, Inc., the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange (or any successors to any of the foregoing).

(i) Warrant Certificate(s)” means a Series A Warrant Certificate and/or a Series B Warrant Certificate.

All other capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Warrant Certificate.

Section 2. Appointment of Warrant Agent. The Company hereby appoints the Warrant Agent to act as agent for the Company in accordance with the terms and conditions hereof, and the Warrant Agent hereby accepts such appointment.

Section 3. [intentionally left blank].

Section 4. Warrant Certificates.

The Company shall instruct the Warrant Agent to make arrangements for book-entry and/or paper settlement available for the Warrants. The Company shall instruct the Warrant Agent to deliver separate certificates evidencing Warrants (“Warrant Certificates”) attached hereto as Exhibit 1 registered as requested.

Section 5. Registration. The Warrant Agent will keep or cause to be kept at one of its offices, or at the office of one of its agents, books (“Warrant Register”) for registration the Warrant Certificates issued hereunder. The Company will keep or cause to be kept at one of its offices, books for the registration and transfer of any Warrant Certificates issued hereunder and the Warrant Agent shall not have any obligation to keep books and records with respect to any Warrant Certificates. Such Company books shall show the names and addresses of the respective Holders of the Warrant Certificates, the number of warrants evidenced on the face of each such Warrant Certificate and the date of each such Warrant Certificate. Ownership of security entitlements in the Warrants shall be shown on, and the transfer of such ownership shall be effected through, records maintained by Participants.

Section 6. Transfer, Split Up, Combination and Exchange of Warrant Certificates; Mutilated, Destroyed, Lost or Stolen Warrant Certificates. At any time at or prior to the Expiration Date (as defined below), a transfer of any Warrants may be registered and any Warrant Certificate or Warrant Certificates may be split up, combined or exchanged for another Warrant Certificate or Warrant Certificates evidencing the same number of Warrants as the Warrant Certificate or Warrant Certificates surrendered. Any Holder desiring to transfer, split up, combine or exchange any Warrant Certificate shall make such request in writing delivered to the Company, and shall surrender the Warrant Certificate to be transferred, split up, combined or exchanged at the principal office of the Company. Any requested transfer of Warrants, whether in book-entry form or certificate form, shall be accompanied by reasonable evidence of authority of the party making such request that may be required by the Company. Thereupon the Warrant Agent shall, subject to the last sentence of this first paragraph of Section 6, countersign and deliver to the Person entitled thereto a Warrant Certificate(s), as the case may be, as so requested. The Company may require payment from the Holder of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer, split up, combination or exchange of Warrant Certificates.

Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of a Warrant Certificate, which evidence shall include an affidavit of loss, or in the case of mutilated certificates, the certificate or portion thereof remaining, and, in case of loss, theft or destruction, of indemnity in customary form and amount (but, with respect to any Definitive Certificates, shall not include the posting of any bond by the Holder), and reimbursement to the Company of all reasonable expenses incidental thereto, and upon surrender to the Company and cancellation of the Warrant Certificate if mutilated, the Company will make and deliver a new Warrant Certificate of like tenor to the Holder in lieu of the Warrant Certificate so lost, stolen, destroyed or mutilated.

The Holder of a Warrant may grant proxies or otherwise authorize any person, including the Participants and beneficial holders that may own interests through the Participants, to take any action that a Holder is entitled to take under this Agreement or the Warrants.

Section 7. Exercise of Warrants; Exercise Price; Termination Date.

(a) Each Warrant shall entitle the Holder, subject to the provisions of the applicable Warrant Certificate and of this Agreement, to purchase from the Company the number of shares of Common Stock stated therein, at the price of \$[\_\_\_\_\_] per whole share, subject to the subsequent adjustments provided in Section 11 hereof. The term "Exercise Price" as used in this Agreement refers to the price per share at which shares of Common Stock may be purchased at the time a Warrant is exercised. Warrants may be exercised only during the period ("Exercise Period") commencing on the Issuance Date and terminating at 5:00 P.M., Eastern Standard Time (the "close of business") on [\_\_\_\_\_] ("Expiration Date"). Each Warrant not exercised on or before the Expiration Date shall become void, and all rights thereunder and all rights in respect thereof under this Agreement shall cease at the close of business on the Expiration Date.

(b) Subject to the provisions of this Agreement, a Holder (or a Participant or a designee of a Participant acting on behalf of a Holder) may exercise Warrants by delivering to the Warrant Agent, not later than 5:00 P.M., Eastern Standard Time, on any business day during the Exercise Period an election to purchase the Warrant Shares underlying the Warrants to be exercised in the form included in Exhibit 1 or Exhibit 2, as applicable, to this Agreement (each, an "Election to Purchase"). No later than one (1) Trading Day following delivery of an Election to Purchase, the Holder shall: surrender the Warrant Certificate evidencing the Warrants to the Warrant Agent at its office designated for such purpose, and deliver to the Company the Exercise Price for each Warrant to be exercised, on a cashless basis (if permitted pursuant to the applicable Warrant) or in lawful money of the United States of America by certified or official bank check payable to the Company or bank wire transfer in immediately available funds to: Atlantic International Corp.

Any person so designated by the Holder (or a Participant or designee of a Participant on behalf of a Holder) to receive Warrant Shares shall be deemed to have become holder of record of such Warrant Shares as of the time that an appropriately completed and duly signed Election to Purchase has been delivered to the Warrant Agent, provided that the Holder (or Participant on behalf of the Holder) makes delivery of the deliverables referenced in the immediately preceding sentence by the date that is one (1) Trading Day after the delivery of the Election to Purchase. If the Holder (or Participant on behalf of the Holder) fails to make delivery of such deliverables on or prior to the Trading Day following delivery of the Election to Purchase, such Election to Purchase shall be void ab initio.

(c) If any of (i) the Warrants, (ii) the Election to Purchase, or (iii) the Exercise Price therefor, is received by the Warrant Agent on any date after 5:00 P.M., Eastern Standard Time, or on a date that is not a Trading Day, the Warrants with respect thereto will be deemed to have been received and exercised on the Trading Day next succeeding such date. "Business day" means a day other than a Saturday or Sunday on which commercial Banks in New York City are open for the general conduct of banking business. The "Exercise Date" will be the date on which the materials in the foregoing sentence are received by the Warrant Agent (if by 5:00 P.M., New York City time), or the following Trading Day (if after 5:00 P.M., New York City time), regardless of any earlier date written on the materials. If the Warrants are received or deemed to be received after the Expiration Date, the exercise thereof will be null and void and any funds delivered to the Company will be returned to the Holder or Participant, as the case may be, as soon as practicable. In no event will interest accrue on any funds deposited with the Company in respect of an exercise or attempted exercise of Warrants.

If less than all the Warrants evidenced by a surrendered Warrant Certificate are exercised, the Warrant Agent shall split up the surrendered Warrant Certificate and return to the Holder a Warrant Certificate evidencing the Warrants that were not exercised.

(d) The Warrant Agent shall, by 11:00 a.m., New York City time, on the Trading Day following the Exercise Date of any Warrant, advise the Company, the transfer agent and registrar for the Company's Common Stock, in respect of (i) the number of Warrant Shares indicated on the Election to Purchase as issuable upon such exercise with respect to such exercised Warrants, (ii) the instructions of the Holder or Participant, as the case may be, provided to the Warrant Agent with respect to the delivery of the Warrant Shares and the number of Warrants that remain outstanding after such exercise and (iii) such other information as the Company or such transfer agent and registrar shall reasonably request. The Company shall, by no later than 5:00 P.M., Eastern Standard Time, on the third Trading Day following the Exercise Date of any Warrant and the clearance of the funds in payment of the Exercise Price (such date and time, the "Delivery Time"), cause its registrar to electronically transmit the Warrant Shares issuable upon that exercise to the Participant.

(e) All Warrant Shares issued by the Company upon the proper exercise of a Warrant in conformity with this Agreement shall be validly issued, fully paid and non-assessable. No fractional Warrant Shares will be issued upon the exercise of the Warrant. If, by reason of any adjustment made pursuant to Section 6, a Holder would be entitled, upon the exercise of such Warrant, to receive a fractional interest in a share, the Company shall, upon such exercise, round up or down, as applicable, to the nearest whole number the number of Warrant Shares to be issued to such Holder.

(f) The Company shall use its reasonable best efforts to maintain the effectiveness of the Registration Statement and the current status of the prospectus included therein or to file and maintain the effectiveness of another registration statement and another current prospectus covering the Warrants and the Warrant Shares at any time that the Warrants are exercisable. The Company shall provide to the Warrant Agent and each Holder prompt written notice of any time that the Company is unable to deliver the Warrant Shares without restrictive legend because (i) the Commission has issued a stop order with respect to the Registration Statement, (ii) the Commission otherwise has suspended or withdrawn the effectiveness of the Registration Statement, either temporarily or permanently, (iii) the Company has suspended or withdrawn the effectiveness of the Registration Statement, either temporarily or permanently, (iv) the prospectus contained in the Registration Statement is not available for the issuance of the Warrant Shares to the Holder or (v) otherwise (each a "Restrictive Legend Event"). To the extent that the Warrants cannot be exercised as a result of a Restrictive Legend Event or a Restrictive Legend Event occurs after a Holder has exercised Warrants in accordance with the terms of the Warrants but prior to the delivery of the Warrant Shares, the Company shall, at the election of the Holder, which shall be given within five (5) days of receipt of such notice of the Restrictive Legend Event, either (i) rescind the previously submitted Election to Purchase and the Company shall return all consideration paid by registered holder for such shares upon such rescission or (ii) treat the attempted exercise as a cashless exercise as described in the paragraph below and refund the cash portion of the exercise price to the Holder.

If a Restrictive Legend Event has occurred, the Warrant shall only be exercisable on a cashless basis. Notwithstanding anything herein to the contrary, the Company shall not be required to make any cash payments or net cash settlement to the Holder in lieu of delivery of the Warrant Shares. Upon a "cashless exercise", the Holder shall be entitled to receive the number of Warrant Shares equal to the quotient obtained by dividing (A-B) (X) by (A), where:

(A) = the VWAP on the Trading Day immediately preceding the Exercise Date;

(B) = the Exercise Price of the Warrant, as adjusted as set forth herein; and

(X) = the number of Warrant Shares that would be issuable upon exercise of the Warrant in accordance with the terms of the Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

If the Warrant Shares are issued in such a cashless exercise, the Company acknowledges and agrees that, in accordance with Section 3(a)(9) of the Securities Act, the Warrant Shares shall take on the registered characteristics of the Warrants being exercised and the Company agrees not to take any position contrary thereto. Upon receipt of an Election to Purchase for a cashless exercise, the Warrant Agent will promptly deliver a copy of the Election to Purchase to the Company to confirm the number of Warrant Shares issuable in connection with the cashless exercise. The Company shall calculate and transmit to the Warrant Agent in a written notice, and the Warrant Agent shall have no duty, responsibility or obligation under this section to calculate, the number of Warrant Shares issuable in connection with any cashless exercise. The Warrant Agent shall be entitled to rely conclusively on any such written notice provided by the Company, and the Warrant Agent shall not be liable for any action taken, suffered or omitted to be taken by it in accordance with such written instructions or pursuant to this Agreement.

Section 8. Cancellation and Destruction of Warrant Certificates. All Warrant Certificates surrendered for the purpose of exercise, transfer, split up, combination or exchange shall be surrendered to the Company or to any of its agents for cancellation or in canceled form.

Section 9. Certain Representations: Reservation and Availability of Shares or Cash.

(a) This Agreement has been duly authorized, executed and delivered by the Company and, assuming due authorization, execution and delivery hereof by the Warrant Agent, constitutes a valid and legally binding obligation of the Company enforceable against the Company in accordance with its terms, and the Warrants have been duly authorized, executed and issued by the Company and, assuming due authentication thereof by the Warrant Agent pursuant hereto and payment therefor by the Holders as provided in the Warrant Certificate, constitute valid and legally binding obligations of the Company enforceable against the Company in accordance with their terms and entitled to the benefits hereof; in each case except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally or by general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(b) As of the date hereof, the authorized share capital of the Company consists of 320,000,000 shares, consisting of 300,000,000 shares of Common Stock, of which 380,648 shares of Common Stock are issued and outstanding, and 20,000,000 shares of "blank check" preferred stock, par value \$0.00001 per share. Except as disclosed in the Registration Statement, there are no other outstanding obligations, warrants, options or other rights to subscribe for or purchase from the Company any shares of Common Stock of the Company.

(c) The Company covenants and agrees that it will cause to be reserved and kept available out of its authorized and unissued shares of Common Stock or its authorized and issued shares of Common Stock held in its treasury, free from preemptive rights, the number of Warrant Shares that will be sufficient to permit the exercise in full of all outstanding Warrants.

(d) The Company further covenants and agrees that it will pay when due and payable any and all federal and state transfer taxes and charges which may be payable in respect of the original issuance or delivery of the Warrant Certificates or certificates evidencing Warrant Shares upon exercise of the Warrants. The Company shall not, however, be required to pay any tax or governmental charge which may be payable in respect of any transfer involved in the transfer or delivery of Warrant Certificates or the issuance or delivery of certificates for Warrant Shares in a name other than that of the Holder of the Warrant Certificate evidencing Warrants surrendered for exercise or to issue or deliver any certificate for Warrant Shares upon the exercise of any Warrants until any such tax or governmental charge shall have been paid (any such tax or governmental charge being payable by the Holder of such Warrant Certificate at the time of surrender) or until it has been established to the Company's reasonable satisfaction that no such tax or governmental charge is due.

Section 10. Warrant Shares Record Date. Each Person in whose name any certificate for Warrant Shares is issued upon the exercise of Warrants shall for all purposes be deemed to have become the holder of record for the Warrant Shares represented thereby on, and such certificate shall be dated, the date on which submission of the Notice of Exercise was made, provided that the Warrant Certificate evidencing such Warrant is duly surrendered (but only if required herein) and payment of the Exercise Price (and any applicable transfer taxes) is received on or prior to the Warrant Share delivery date; provided, however, that if the date of submission of the Notice of Exercise is a date upon which the Common Stock transfer books of the Company are closed, such Person shall be deemed to have become the record holder of such shares on, and such certificate shall be dated, the next succeeding day on which the Common Stock transfer books of the Company are open.

Section 11. Adjustment of Exercise Price, Number of Warrant Shares or Number of the Company Warrants. The Exercise Price, the number of Warrant Shares covered by each Warrant and the number of Warrants outstanding are subject to adjustment from time to time as provided in Section 3 of the Warrant Certificate. In the event that at any time, as a result of an adjustment made pursuant to Section 3 of the Warrant Certificate, the Holder of any Warrant thereafter exercised shall become entitled to receive any shares of capital stock of the Company other than Warrant Shares, thereafter the number of such other shares so receivable upon exercise of any Warrant shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the shares contained in Section 3 of the Warrant Certificate and the provisions of Sections 7, 11 and 12 of this Agreement with respect to the Warrant Shares shall apply on like terms to any such other shares. All Warrants originally issued by the Company subsequent to any adjustment made to the Exercise Price pursuant to the Warrant Certificate shall evidence the right to purchase, at the adjusted Exercise Price, the number of Warrant Shares purchasable from time to time hereunder upon exercise of the Warrants, all subject to further adjustment as provided herein.

Section 12. Certification of Adjusted Exercise Price or Number of Warrant Shares. Whenever the Exercise Price or the number of Warrant Shares issuable upon the exercise of each Warrant is adjusted as provided in Section 11 or 13, the Company shall (a) promptly prepare a certificate setting forth the Exercise Price of each Warrant as so adjusted, and a brief statement of the facts accounting for such adjustment, (b) promptly file with the Warrant Agent and with each transfer agent for the Common Stock a copy of such certificate and (c) instruct the Warrant Agent to send a brief summary thereof to each Holder of a Warrant Certificate.

Section 13. Fractional Shares.

(a) The Company shall not issue fractions of Warrants or distribute Warrant Certificates which evidence fractional Warrants. Whenever any fractional Warrant would otherwise be required to be issued or distributed, the actual issuance or distribution shall reflect a rounding of such fraction to the nearest whole Warrant (rounded down).

(b) The Company shall not issue fractions of Warrant Shares upon exercise of Warrants or distribute stock certificates which evidence fractional Warrant Shares. Whenever any fraction of Warrant Shares would otherwise be required to be issued or distributed, the actual issuance or distribution in respect thereof shall be made in accordance with Section 2(d)(ii) of the Warrant Certificate.

Section 14. Conditions of the Warrant Agent's Obligations. The Warrant Agent accepts its obligations herein set forth upon the terms and conditions hereof, including the following to all of which the Company agrees and to all of which the rights hereunder of the Holders from time to time of the Warrant Certificates shall be subject:

(a) *Compensation and Indemnification.* The Company agrees promptly to pay the Warrant Agent the compensation detailed on Exhibit [●] hereto for all services rendered by the Warrant Agent and to reimburse the Warrant Agent for reasonable out-of-pocket expenses (including reasonable counsel fees) incurred without gross negligence or willful misconduct finally adjudicated to have been directly caused by the Warrant Agent in connection with the services rendered hereunder by the Warrant Agent. The Company also agrees to indemnify the Warrant Agent for, and to hold it harmless against, any loss, liability or expense incurred without gross negligence, or willful misconduct on the part of the Warrant Agent, finally adjudicated to have been directly caused by Warrant Agent hereunder, including the reasonable costs and expenses of defending against any claim of such liability. The Warrant Agent shall be under no obligation to institute or defend any action, suit, or legal proceeding in connection herewith or to take any other action likely to involve the Warrant Agent in expense, unless first indemnified to the Warrant Agent's satisfaction. The indemnities provided by this paragraph shall survive the resignation or discharge of the Warrant Agent or the termination of this Agreement. Anything in this Agreement to the contrary notwithstanding, in no event shall the Warrant Agent be liable under or in connection with the Agreement for indirect, special, incidental, punitive or consequential losses or damages of any kind whatsoever, including, but not limited, to lost profits, whether or not foreseeable, even if the Warrant Agent has been advised of the possibility thereof and regardless of the form of action in which such damages are sought, and the Warrant Agent's aggregate liability to the Company, or any of the Company's representatives or agents, under this Section 14(a) or under any other term or provision of this Agreement, whether in contract, tort, or otherwise, is expressly limited to, and shall not exceed in any circumstances, one (1) year's fees received by the Warrant Agent as fees and charges under this Agreement, but not including reimbursable expenses previously reimbursed to the Warrant Agent by the Company hereunder.

(b) *Agent for the Company.* In acting under this Agreement and in connection with the Warrant Certificates, the Warrant Agent is acting solely as agent of the Company and does not assume any obligations or relationship of agency or trust for or with any of the Holders of Warrant Certificates or beneficial owners of Warrants.

(c) *Counsel.* The Warrant Agent may consult with counsel satisfactory to it, which may include counsel for the Company, and the written advice of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the advice of such counsel.

(d) *Documents.* The Warrant Agent shall be protected and shall incur no liability for or in respect of any action taken or omitted by it in reliance upon any Warrant Certificate, notice, direction, consent, certificate, affidavit, statement or other paper or document reasonably believed by it to be genuine and to have been presented or signed by the proper parties.

(e) *Certain Transactions.* The Warrant Agent, and its officers, directors and employees, may become the owner of, or acquire any interest in, Warrants, with the same rights that it or they would have if it were not the Warrant Agent hereunder, and, to the extent permitted by applicable law, it or they may engage or be interested in any financial or other transaction with the Company and may act on, or as depositary, trustee or agent for, any committee or body of Holders of the Warrants or other obligations of the Company as freely as if it were not the Warrant Agent hereunder. Nothing in this Agreement shall be deemed to prevent the Warrant Agent from acting as trustee under any indenture to which the Company is a party.



(f) *No Liability for Interest.* Unless otherwise agreed with the Company, the Warrant Agent shall have no liability for interest on any monies at any time received by it pursuant to any of the provisions of this Agreement or of the Warrant Certificates.

(g) *No Liability for Invalidity.* The Warrant Agent shall have no liability with respect to any invalidity of this Agreement or the Warrant Certificates (except as to the Warrant Agent's countersignature thereon).

(h) *No Responsibility for Representations.* The Warrant Agent shall not be responsible for any of the recitals or representations herein or in the Warrant Certificate (except as to the Warrant Agent's countersignature thereon), all of which are made solely by the Company.

(i) *No Implied Obligations.* The Warrant Agent shall be obligated to perform only such duties as are herein and in the Warrant Certificates specifically set forth and no implied duties or obligations shall be read into this Agreement or the Warrant Certificates against the Warrant Agent. The Warrant Agent shall not be under any obligation to take any action hereunder which may tend to involve it in any expense or liability, the payment of which within a reasonable time is not, in its reasonable opinion, assured to it. The Warrant Agent shall not be accountable or under any duty or responsibility for the use by the Company of any of the Warrant Certificates authenticated by the Warrant Agent and delivered by it to the Company pursuant to this Agreement or for the application by the Company of the proceeds of the Warrant Certificate. The Warrant Agent shall have no duty or responsibility in case of any default by the Company in the performance of its covenants or agreements contained herein or in the Warrant Certificates or in the case of the receipt of any written demand from a Holder of a Warrant Certificate with respect to such default, including, without limiting the generality of the foregoing, any duty or responsibility to initiate or attempt to initiate any proceedings at law.

Section 15. Purchase or Consolidation or Change of Name of Warrant Agent. Any corporation into which the Warrant Agent or any successor Warrant Agent may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Warrant Agent or any successor Warrant Agent shall be party, or any corporation succeeding to the corporate trust business of the Warrant Agent or any successor Warrant Agent, shall be the successor to the Warrant Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Warrant Agent under the provisions of Section 17. In case at the time such successor Warrant Agent shall succeed to the agency created by this Agreement any of the Warrant Certificates shall have been countersigned but not delivered, any such successor Warrant Agent may adopt the countersignature of the predecessor Warrant Agent and deliver such Warrant Certificates so countersigned; and in case at that time any of the Warrant Certificates shall not have been countersigned, any successor Warrant Agent may countersign such Warrant Certificates either in the name of the predecessor Warrant Agent or in the name of the successor Warrant Agent; and in all such cases such Warrant Certificates shall have the full force provided in the Warrant Certificates and in this Agreement.

In case at any time the name of the Warrant Agent shall be changed and at such time any of the Warrant Certificates shall have been countersigned but not delivered, the Warrant Agent may adopt the countersignature under its prior name and deliver such Warrant Certificates so countersigned; and in case at that time any of the Warrant Certificates shall not have been countersigned, the Warrant Agent may countersign such Warrant Certificates either in its prior name or in its changed name; and in all such cases such Warrant Certificates shall have the full force provided in the Warrant Certificates and in this Agreement.

Section 16. Duties of Warrant Agent. The Warrant Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, by all of which the Company, by its acceptance hereof, shall be bound:

(a) The Warrant Agent may consult with legal counsel reasonably acceptable to the Company (who may be legal counsel for the Company), and the opinion of such counsel shall be full and complete authorization and protection to the Warrant Agent as to any action taken or omitted by it in good faith and in accordance with such opinion.

(b) Whenever in the performance of its duties under this Agreement the Warrant Agent shall deem it necessary or desirable that any fact or matter be proved or established by the Company prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by the Chief Executive Officer or Chief Financial Officer of the Company; and such certificate shall be full authentication to the Warrant Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate.

(c) Subject to the limitation set forth in Section 14, the Warrant Agent shall be liable hereunder only for its own gross negligence or willful misconduct, or for any intentional breach by it of this Agreement.

(d) The Warrant Agent shall not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the Warrant Certificate (except its countersignature thereof) by the Company or be required to verify the same, but all such statements and recitals are and shall be deemed to have been made by the Company only.

(e) The Warrant Agent shall not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due execution hereof by the Warrant Agent) or in respect of the validity or execution of any Warrant Certificate (except its countersignature thereof); nor shall it be responsible for any breach by the Company of any covenant or condition contained in this Agreement or in any Warrant Certificate; nor shall it be responsible for the adjustment of the Exercise Price or the making of any change in the number of Warrant Shares required under the provisions of Section 11 or 13 or responsible for the manner, method or amount of any such change or the ascertaining of the existence of facts that would require any such adjustment or change (except with respect to the exercise of Warrants evidenced by the Warrant Certificates after actual notice of any adjustment of the Exercise Price); nor shall it by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of any Warrant Shares to be issued pursuant to this Agreement or any Warrant Certificate or as to whether any Warrant Shares will, when issued, be duly authorized, validly issued, fully paid and nonassessable.

(f) Each party hereto agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the other party hereto for the carrying out or performing by any party of the provisions of this Agreement.

(g) The Warrant Agent is hereby authorized to accept instructions with respect to the performance of its duties hereunder from the Chief Executive Officer or Chief Financial Officer of the Company, and to apply to such officers for advice or instructions in connection with its duties, and it shall not be liable and shall be indemnified and held harmless for any action taken or suffered to be taken by it in good faith in accordance with instructions of any such officer, provided Warrant Agent carries out such instructions without gross negligence or willful misconduct.

(h) The Warrant Agent and any shareholder, director, officer or employee of the Warrant Agent may buy, sell or deal in any of the Warrants or other securities of the Company or become pecuniarily interested in any transaction in which the Company may be interested, or contract with or lend money to the Company or otherwise act as fully and freely as though it were not Warrant Agent under this Agreement. Nothing herein shall preclude the Warrant Agent from acting in any other capacity for the Company or for any other legal entity.

(i) The Warrant Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorney or agents, and the Warrant Agent shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorney or agents or for any loss to the Company resulting from any such act, default, neglect or misconduct, provided reasonable care was exercised in the selection and continued employment thereof.

Section 17. Change of Warrant Agent. The Warrant Agent, or any successor to it hereafter appointed, may resign and be discharged from its duties under this Agreement upon 30 days' notice in writing sent to the Company or such shorter period of time agreed to by the Company. The Company may remove the Warrant Agent or any successor Warrant Agent upon 30 days' notice in writing, sent to the Warrant Agent or successor Warrant Agent, as the case may be, or such shorter period of time as agreed. If the office of the Warrant Agent becomes vacant by resignation, termination or incapacity to act or otherwise, the Company shall appoint a successor to the Warrant Agent. If the Company shall fail to make such appointment within a period of 30 days after it has been notified in writing of such resignation or incapacity by the Warrant Agent, then the Warrant Agent or any Holder of any Warrant Certificate may apply to any court of competent jurisdiction for the appointment of a new Warrant Agent, provided that, for purposes of this Agreement, the Company shall be deemed to be the Warrant Agent until a new warrant agent is appointed. Any successor Warrant Agent (but not including the initial Warrant Agent), whether appointed by the Company or by such a court, shall be a corporation organized and doing business under the laws of the United States or of a state thereof, in good standing, which is authorized under such laws to exercise corporate trust powers and is subject to supervision or examination by federal or state authority. After appointment, any successor Warrant Agent shall be vested with all the authority, powers, rights, immunities, duties, and obligations of its predecessor Warrant Agent with like effect as if originally named as Warrant Agent hereunder, without any further act or deed, and except for executing and delivering documents as provided in the sentence that follows, the predecessor Warrant Agent shall have no further duties, obligations, responsibilities or liabilities hereunder, but shall be entitled to all rights that survive the termination of this Agreement and the resignation or removal of the Warrant Agent, including, but not limited to, its right to indemnity hereunder. If for any reason it becomes necessary or appropriate or at the request of the Company, the predecessor Warrant Agent shall execute and deliver, at the expense of the Company, an instrument transferring to such successor Warrant Agent all the authority, powers, and rights of such predecessor Warrant Agent hereunder; and upon request of any successor Warrant Agent the Company shall make, execute, acknowledge, and deliver any and all instruments in writing for more fully and effectually vesting in and confirming to such successor Warrant Agent all such authority, powers, rights, immunities, duties, and obligations.

Section 18. Issuance of New Warrant Certificates. Notwithstanding any of the provisions of this Agreement or of the Warrants to the contrary, the Company may, at its option, issue new Warrant Certificates evidencing Warrants in such form as may be approved by its Board of Directors to reflect any adjustment or change in the Exercise Price per share and the number or kind or class of shares or other securities or property purchasable under the several Warrant Certificates made in accordance with the provisions of this Agreement.

Section 19. Notices. Notices or demands authorized by this Agreement to be given or made (i) by the Warrant Agent or by the Holder of any Warrant Certificate to or on the Company, (ii) subject to the provisions of Section 17, by the Company or by the Holder of any Warrant Certificate to or on the Warrant Agent or (iii) by the Company or the Warrant Agent to the Holder of any Warrant Certificate shall be deemed given (a) on the date delivered, if delivered personally, (b) on the first Business Day following the deposit thereof with Federal Express or another recognized overnight courier, if sent by Federal Express or another recognized overnight courier, (c) on the fourth Business Day following the mailing thereof with postage prepaid, if mailed by registered or certified mail (return receipt requested), and (d) the date of transmission, if such notice or communication is delivered via facsimile or email attachment at or prior to 5:30 p.m. (New York City time) on a Business Day and (e) the next Business Day after the date of transmission, if such notice or communication is delivered via facsimile or email attachment on a day that is not a Business Day or later than 5:30 p.m. (New York City time) on any Business Day, in each case to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) **If to the Company, to**

Atlantic International Corp.  
(f/k/a SeqLL Inc.)  
270 Sylvan Avenue, Suite 2230  
Englewood Cliffs, NJ 07632  
Attention: Jeffrey Jagid, CEO  
Email: [jjagid@atlantic-international.com](mailto:jjagid@atlantic-international.com)

with a copy (which shall not constitute notice) to:

Davidoff Hutcher & Citron LLP  
605 Third Avenue, 34<sup>th</sup> Floor  
New York, NY 10158  
Attention: Elliot H. Lutzker, Esq.  
E-mail: [ehl@dhclegal.com](mailto:ehl@dhclegal.com)

(b) **If to the Warrant Agent, to**

Vstock Transfer, LLC  
18 Lafayette Place  
Woodmere, NY 11598  
Attention: Relationship Management  
E-mail: [info@vstocktransfer.com](mailto:info@vstocktransfer.com)

For any notice delivered by email to be deemed given or made, such notice must be followed by notice sent by overnight courier service to be delivered on the next business day following such email, unless the recipient of such email has acknowledged via return email receipt of such email.

If to the Holder of any Warrant Certificate to the address of such Holder as shown on the registry books of the Company. Any notice required to be delivered by the Company to the Holder of any Warrant may be given by the Warrant Agent on behalf of the Company. Notwithstanding any other provision of this Agreement, where this Agreement provides for notice of any event to a Holder of any Warrant, such notice shall be sufficiently given if given to the Depository (or its designee) pursuant to the procedures of the Depository or its designee.

Section 20. Supplements and Amendments.

(a) With the consent of Holders of Warrants entitled, upon exercise thereof, to receive not less than a majority of the Warrant Shares issuable thereunder, the Company and the Warrant Agent may modify this Agreement for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement.

Section 21. Successors. All covenants and provisions of this Agreement by or for the benefit of the Company or the Warrant Agent shall bind and inure to the benefit of their respective successors and assigns hereunder.

Section 22. Conflicts; Benefits of this Agreement. To the extent any provision of this Agreement conflicts with the express provisions of the Warrant Certificate, the provisions of the Warrant Certificate shall govern and be controlling. Nothing in this Agreement shall be construed to give any Person other than the Company, the Holders of Warrant Certificates and the Warrant Agent any legal or equitable right, remedy or claim under this Agreement. This Agreement shall be for the sole and exclusive benefit of the Company, the Warrant Agent and the Holders of the Warrant Certificates.

Section 23. Governing Law. This Agreement and each Warrant Certificate issued hereunder shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to the conflicts of law principles thereof.

Section 24. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

Section 25. Captions. The captions of the sections of this Agreement have been inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 26. Information. The Company agrees to promptly provide to the Holders of the Warrants any information it provides to the holders of the Common Stock, except to the extent any such information is publicly available on the EDGAR system (or any successor thereof) of the Securities and Exchange Commission.

*[signature page follows]*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

ATLANTIC INTERNATIONAL CORP.

By: \_\_\_\_\_  
Name:  
Title:

VSTOCK TRANSFER, LLC

By: \_\_\_\_\_  
Name:  
Title:

## SERIES A COMMON STOCK PURCHASE WARRANT

## ATLANTIC INTERNATIONAL CORP.

Warrant Shares: [\_\_\_\_\_]

Issue Date: [\_\_\_\_\_], 2024

THIS COMMON STOCK PURCHASE WARRANT (the "Warrant") certifies that, for value received, \_\_\_\_\_ or its assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after [\_\_\_\_\_], 2024 (the "Initial Exercise Date") and on or prior to 5:00 p.m. (New York City time) on the fifth anniversary date of Stockholder Approval (as defined in Section 2(b) below) (the "Termination Date") but not thereafter, to subscribe for and purchase from Atlantic International Corp., a Delaware corporation (the "Company"), up to [\_\_\_\_\_] shares of Common Stock (as subject to adjustment hereunder, the "Warrant Shares"). The purchase price of one share of common stock, par value \$0.00001 per share (the "Common Stock") under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b). Notwithstanding anything herein to the contrary, any reduction to the Exercise Price pursuant to the terms of this Warrant shall also result in an increase in the number of Warrant Share issuable such that the aggregate Exercise Price on any unexercised Warrants immediately following the adjustment equals the aggregate Exercise Price at the Initial Exercise Date (the Company may not unilaterally take any action that would otherwise reduce the aggregate Exercise Price of this Warrant without the consent of the Holder).

Section 1. Warrant Agency Agreement. This Warrant is issued subject to the warrant agency agreement dated on or about the issuance date of this Warrant, between the Company and Vstock Transfer, LLC, as warrant agent (the "Warrant Agency Agreement"). To the extent any provision of this Warrant conflicts with the express provisions of the Warrant Agency Agreement, the provisions of this Warrant shall govern and be controlling.

Section 2. Exercise.

a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company of a duly executed facsimile copy or a PDF copy submitted by e-mail (or e-mail attachment) of the Notice of Exercise in the form annexed hereto (the "Notice of Exercise"). Within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(d)(i) herein) following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the Warrant Shares specified in the applicable Notice of Exercise by wire transfer or cashier's check drawn on a United States bank unless the cashless exercise procedure specified in Section 2(c) below is specified in the applicable Notice of Exercise. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date on which the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) Business Day of receipt of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

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b) Exercise Price. The exercise price per Warrant Share under this Warrant shall be \$[\_\_\_\_], subject to adjustment hereunder (the “Exercise Price”). Subject to the approval of the Company’s stockholders, the Exercise Price shall be reduced, and only reduced, immediately on each Trading Day commencing on the third (3<sup>rd</sup>) Trading Day following the effective date of such stockholder approval until the fortieth (40<sup>th</sup>) Trading Day following such effective date (each, a “Reset Date” and such 37 Trading Day Period, the “Reset Period”) to a new Exercise Price that is equal to the lower of (i) the then Exercise Price (taking into account any reductions that occurred prior to the applicable Reset Date) and (ii) an Exercise Price that is equal to 105% of the lowest VWAP during the period commencing on the Initial Exercise Date and ending on the applicable Reset Date; provided, however, in the event that this Warrant is exercised during the Reset Period, the “Reset Date” for such portion of this Warrant being exercised shall be the date on which the Notice of Exercise is delivered and with respect to such portion of this Warrant so exercised the Exercise Price shall not be subsequently reset during the remainder of the Reset Period (and any unexercised portion of this Warrant shall remain subject to further adjustments until the end of the Reset Period). The Company shall file an Information Statement on Schedule 14C with the Commission within 15 days after the closing of the offering in which this Warrant was issued, pursuant to which a majority of the Company’s stockholders (“Stockholder Approval”) will consent to the price adjustment provisions above, which action shall take effect 20 days following the filing of such Information Statement.

c) Cashless Exercise. If at any time of exercise hereof, there is no effective registration statement registering, or the prospectus contained therein is not available for, the issuance of the Warrant Shares to the Holder, then this Warrant may also be exercised, in whole or in part, at such time by means of a “cashless exercise” in which the Holder shall be entitled to receive a number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A) where:

(A) = as applicable: (i) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise if such Notice of Exercise is (1) both executed and delivered pursuant to Section 2(a) hereof on a day that is not a Trading Day or (2) both executed and delivered pursuant to Section 2(a) hereof on a Trading Day prior to the opening of “regular trading hours” (as defined in Rule 600(b) of Regulation NMS promulgated under the federal securities laws) on such Trading Day, (ii) at the option of the Holder, either (y) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise or (z) the Bid Price of the Common Stock on the principal Trading Market as reported by Bloomberg L.P. as of the time of the Holder’s execution of the applicable Notice of Exercise if such Notice of Exercise is executed during “regular trading hours” on a Trading Day and is delivered within two (2) hours thereafter (including until two (2) hours after the close of “regular trading hours” on a Trading Day) pursuant to Section 2(a) hereof or (iii) the VWAP on the date of the applicable Notice of Exercise if the date of such Notice of Exercise is a Trading Day and such Notice of Exercise is both executed and delivered pursuant to Section 2(a) hereof after the close of “regular trading hours” on such Trading Day;

(B) = the Exercise Price of this Warrant, as adjusted hereunder; and

(X) = the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

If Warrant Shares are issued in such a cashless exercise, the parties acknowledge and agree that in accordance with Section 3(a)(9) of the Securities Act, the Warrant Shares shall take on the registered characteristics of the Warrants being exercised. The Company agrees not to take any position contrary to this Section 2(c). Without limiting the cashless exercise provision set forth in this Section 2(c), the liquidated damages provision in Section 2(d) (i) or the buy-in provision in Section 2(d)(iv), there is no circumstance that would require the Company to net-cash settle this Warrant.



“Bid Price” means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the bid price of the Common Stock for the time in question (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported on the Pink Open Market (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per Common Stock so reported, or (d) in all other cases, the fair market value of one share of Common Stock as determined by an independent appraiser selected in good faith by the Purchasers of a majority in interest of the Securities then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

“VWAP” means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported on the Pink Open Market (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of Common Stock so reported, or (d) in all other cases, the fair market value of one share of Common Stock as determined by an independent appraiser selected in good faith by the Purchasers of a majority in interest of the Warrants then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

Notwithstanding anything herein to the contrary, on the Termination Date, this Warrant shall be automatically exercised via cashless exercise pursuant to this Section 2(c).

d) Mechanics of Exercise.

i. Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Transfer Agent to the Holder by crediting the account of the Holder’s or its designee’s balance account with the Transfer Agent and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by the Holder or (B) the Warrant is being exercised via cashless exercise, and otherwise by entering in the Company’s register of members the name of the Holder or its designee as the holder of the number of Warrant Shares to which the Holder is entitled pursuant to such exercise and physical delivery of a certificate in respect of such Warrant Shares to the address specified by the Holder in the Notice of Exercise by the date that is the earliest of (i) two (2) Trading Days after the delivery to the Company of the Notice of Exercise, (ii) one (1) Trading Day after delivery of the aggregate Exercise Price to the Company and (iii) the number of Trading Days comprising the Standard Settlement Period after the delivery to the Company of the Notice of Exercise (such date, the “Warrant Share Delivery Date”); Upon the delivery of the Notice of Exercise, the Holder shall be deemed for purposes of Regulation SHO to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, *provided that* payment of the aggregate Exercise Price (other than in the case of a cashless exercise) is received within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period following delivery of the Notice of Exercise. If the Company fails for any reason to deliver to the Holder the Warrant Shares subject to a Notice of Exercise by the Warrant Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each \$1,000 of Warrant Shares subject to such exercise (based on the VWAP on the date of the applicable Notice of Exercise), \$10 per Trading Day (increasing to \$20 per Trading Day on the third Trading Day after such liquidated damages begin to accrue) for each Trading Day after such Warrant Share Delivery Date until such Warrant Shares are delivered or Holder rescinds such exercise. The Company agrees to maintain a transfer agent that is a participant in the FAST program so long as this Warrant remains outstanding and exercisable. As used herein, “Standard Settlement Period” means the standard settlement period, expressed in a number of Trading Days, on the Company’s primary Trading Market with respect to the Common Stock as in effect on the date of delivery of the Notice of Exercise. Notwithstanding the foregoing, with respect to any Notice(s) of Exercise delivered on or prior to 12:00 p.m. (New York City time) on the Initial Exercise Date, which may be delivered at any time after the time of execution of the Underwriting Agreement, the Company agrees to deliver the Warrant Shares subject to such notice(s) by 4:00 p.m. (New York City time) on the Initial Exercise Date and the Initial Exercise Date shall be the Warrant Share Delivery Date for purposes hereunder, provided that payment of the aggregate Exercise Price (other than in the case of a cashless exercise) is received by such Warrant Share Delivery Date.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. If the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

iv. Compensation for Buy-In on Failure to Timely Deliver Warrant Shares Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares in accordance with the provisions of Section 2(d)(i) above pursuant to an exercise on or before the Warrant Share Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder's brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the Common Stock so purchased exceeds (y) the amount obtained by multiplying (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Stock having a total purchase price of \$11,000 to cover a Buy-In with respect to an attempted exercise of Common Stock with an aggregate sale price giving rise to such purchase obligation of \$10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder \$1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver Common Stock upon exercise of the Warrant as required pursuant to the terms hereof.

v. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

vi. Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

vii. Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

e) Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates (such Persons, "Attribution Parties")), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates and Attribution Parties shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (i) exercise of the remaining, non-exercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or non-converted portion of any other securities of the Company (including, without limitation, any other Common Stock Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, the Company shall within one (1) Trading Day confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates or Attribution Parties since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 4.99% of the number of shares of Common Stock outstanding immediately after giving effect to the issuance of Common Stock issuable upon exercise of this Warrant. The Holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(e), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of Common Stock outstanding immediately after giving effect to the issuance of Common Stock upon exercise of this Warrant held by the Holder and the provisions of this Section 2(e) shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61<sup>st</sup> day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

### Section 3. Certain Adjustments.

a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on its Common Stock or any other equity or equity equivalent securities payable in Common Stock (which, for avoidance of doubt, shall not include any Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides its outstanding Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) its outstanding Common Stock into a smaller number of shares or (iv) issues by reclassification of its Common Stock any capital shares of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) Stock Combination Event Adjustment. If at any time and from time to time on or after the Issue Date an event referred to in Section 3(a) occurs (each, a “Stock Combination Event”, and the date on which such event occurs, the “Stock Combination Event Date”) and the Event Market Price (as defined below) is less than the Exercise Price then in effect (after giving effect to the adjustment to the Exercise Price in accordance with Section 3(a)), the Exercise Price shall be reduced, and only reduced, immediately on each Trading Day commencing on the second (2<sup>nd</sup>) Trading Day following the applicable Stock Combination Event Date until the fortieth (40<sup>th</sup>) Trading Day following the Stock Combination Event Date (each, a “Stock Combination Reset Date” and such 38 Trading Day Period, the “Stock Combination Reset Period”) to a new Exercise Price that is equal to the lower of (i) the then Exercise Price (taking into account any reductions that occurred prior to the applicable Stock Combination Reset Date) and (ii) an Exercise Price that is equal to 100% of the lowest VWAP during the period commencing on the applicable Stock Combination Event Date and ending on the applicable Stock Combination Reset Date (as applicable, “Event Market Price”); provided, however, in the event that this Warrant is exercised during the Reset Period, the adjustment to the Exercise Price as to the portion of this Warrant being exercised shall not be subsequently reset during the remainder of the Stock Combination Reset Period (and any unexercised portion of this Warrant shall remain subject to further adjustments until the end of the applicable Stock Combination Reset Period). All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination, recapitalization or other similar transaction during such period.

c) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Company grants, issues or sells any Common Stock Equivalents or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of Common Stock (the "Purchase Rights"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, that, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such shares of Common Stock as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation). To the extent that this Warrant has not been partially or completely exercised at the time of such grant, issuance or sale of the Purchase Rights, such Purchase Rights shall be held in abeyance for the benefit of the Holder until the Holder has exercised this Warrant; provided, however, that to the extent such Purchase Rights expire for the stockholders of the Company if not exercised, the Purchase Rights will also expire for the Holder as of such date.

d) Pro Rata Distributions. During such time as this Warrant is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "Distribution"), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of Common Stock are to be determined for the participation in such Distribution (provided, however, that, to the extent that the Holder's right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any Common Stock as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation). To the extent that this Warrant has not been partially or completely exercised at the time of such Distribution, such portion of the Distribution shall be held in abeyance for the benefit of the Holder until the Holder has exercised this Warrant.

e) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of fifty percent (50%) or more of the outstanding Common Stock, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off, merger or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than fifty percent (50%) of the outstanding shares of Common Stock (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. Notwithstanding anything to the contrary, in the event of a Fundamental Transaction, the Company or any Successor Entity (as defined below) shall, at the Holder's option, exercisable at any time concurrently with, or within 30 days after, the consummation of the Fundamental Transaction (or, if later, the date of the public announcement of the applicable Fundamental Transaction), purchase this Warrant from the Holder by paying to the Holder an amount of cash equal to the Black Scholes Value (as defined below) of the remaining unexercised portion of this Warrant on the date of the consummation of such Fundamental Transaction; provided, however, that, if the Fundamental Transaction is not within the Company's control, including not approved by the Company's Board of Directors, Holder shall only be entitled to receive from the Company or any Successor Entity the same type or form of consideration (and in the same proportion), at the Black Scholes Value of the unexercised portion of this Warrant, that is being offered and paid to the holders of shares of Common Stock of the Company in connection with the Fundamental Transaction, whether that consideration be in the form of cash, stock or any combination thereof, or whether the holders of Common Stock are given the choice to receive from among alternative forms of consideration in connection with the Fundamental Transaction; provided, further, that if holders of Common Stock of the Company are not offered or paid any consideration in such Fundamental Transaction, such holders of Common Stock will be deemed to have received common equity of the Successor Entity (which Entity may be the Company following such Fundamental Transaction) in such Fundamental Transaction. "Black Scholes Value" means the value of this Warrant based on the Black-Scholes Option Pricing Model obtained from the "OV" function on Bloomberg determined as of the day of consummation of the applicable Fundamental Transaction for pricing purposes and reflecting (A) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the time between the date of the public announcement of the applicable contemplated Fundamental Transaction and the Termination Date, (B) an expected volatility equal to the greater of 100% and the 100 day volatility obtained from the HVT function on Bloomberg (determined utilizing a 365 day annualization factor) as of the Trading Day immediately following the public announcement of the applicable contemplated Fundamental Transaction, (C) the underlying price per share used in such calculation shall be the greater of (i) the sum of the price per share being offered in cash, if any, plus the value of any non-cash consideration, if any, being offered in such Fundamental Transaction and (ii) the highest VWAP during the period beginning on the Trading Day immediately preceding the public announcement of the applicable contemplated Fundamental Transaction (or the consummation of the applicable Fundamental Transaction, if earlier) and ending on the Trading Day of the Holder's request pursuant to this Section 3(d) and (D) a remaining option time equal to the time between the date of the public announcement of the applicable contemplated Fundamental Transaction and the Termination Date, and (E) a zero cost of borrow. The payment of the Black Scholes Value will be made by wire transfer of immediately available funds (or such other consideration) within the later of (i) five Business Days of the Holder's election and (ii) the date of consummation of the Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant and the other Transaction Documents in accordance with the provisions of this Section 3(e) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein.

f) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

g) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the shares of Common Stock are converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by email to the Holder at its last email address as it shall appear upon the Warrant Register of the Company, at least twenty (20) calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided in this Warrant constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

a) Transferability. This Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary and subject to Sections 2(a) and 2(d)(ii), the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within three (3) Trading Days of the date on which the Holder delivers an assignment form to the Company assigning this Warrant in full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the original Issue Date and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

Section 5. Miscellaneous.

a) No Rights as Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i). Notwithstanding the foregoing, prior to the exercise of the Warrant, the Holder shall have all the rights as a Holder of the Warrant, including, without limitation, as set forth in Section 3.

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any share certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or share certificate, if mutilated, the Company will make and deliver a new Warrant or share certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or share certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Trading Day, then, such action may be taken or such right may be exercised on the next succeeding Trading Day.

d) Authorized Shares.

The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued shares of Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of completing the issuance of the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and non-assessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).



Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its amended and restated memorandum and articles of association or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e) Governing Law and Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Warrant (whether brought against a party hereto or their respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Warrant and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If either party shall commence an action, suit or proceeding to enforce any provisions of this Warrant, the prevailing party in such action, suit or proceeding shall be reimbursed by the other party for their reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding.

f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered and the Holder does not utilize cashless exercise, will have restrictions upon resale imposed by state and federal securities laws.

g) Non-waiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. Without limiting any other provision of this Warrant, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h) Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder including, without limitation, any Notice of Exercise, shall be in writing and delivered personally, by facsimile or e-mail, or sent by a nationally recognized overnight courier service, addressed to the Company, at 270 Sylvan Avenue, Suite 2230, Englewood Cliffs, New Jersey 07632, or such other facsimile number, email address or address as the Company may specify for such purposes by notice to the Holders. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by facsimile or e-mail, or sent by a nationally recognized overnight courier service addressed to each Holder at the facsimile number, e-mail address or address of such Holder appearing on the books of the Company. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the time of transmission, if such notice or communication is delivered via facsimile at the facsimile number or via e-mail at the e-mail address set forth in this Section prior to 5:30 p.m. (New York City time) on any date, (ii) the next Trading Day after the time of transmission, if such notice or communication is delivered via facsimile at the facsimile number or via e-mail at the e-mail address set forth in this Section on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given.

i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of the Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or a holder of Warrant Shares.

l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

\*\*\*\*\*

*(Signature Page Follows)*

IN WITNESS WHEREOF, the Company has caused this Series A Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

**ATLANTIC INTERNATIONAL CORP.**

By: \_\_\_\_\_

Name:

Title:

**NOTICE OF EXERCISE  
SERIES A WARRANT**

TO: Atlantic International Corp.

(1) The undersigned hereby elects to purchase \_\_\_\_\_ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

in lawful money of the United States; or

if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

\_\_\_\_\_

The Warrant Shares shall be delivered to the following DWAC Account Number:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

[SIGNATURE OF HOLDER]

Name of Investing Entity:

\_\_\_\_\_  
*Signature of Authorized Signatory of Investing Entity:*

Name of Authorized Signatory:

\_\_\_\_\_  
Title of Authorized Signatory:

Date:

\_\_\_\_\_

**ASSIGNMENT FORM  
SERIES A WARRANT**

*(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)*

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name:

\_\_\_\_\_  
(Please Print)

Address:

\_\_\_\_\_  
(Please Print)

Phone Number:

\_\_\_\_\_

Email Address:

\_\_\_\_\_

Dated: \_\_\_\_\_, \_\_\_\_\_

Holder's Signature: \_\_\_\_\_

Holder's Address: \_\_\_\_\_

## SERIES B COMMON STOCK PURCHASE WARRANT

## ATLANTIC INTERNATIONAL CORP.

Warrant Shares: [\_\_\_\_\_]

Issue Date: [\_\_\_\_\_] , 2024

THIS COMMON STOCK PURCHASE WARRANT (the "Warrant") certifies that, for value received, \_\_\_\_\_ or its assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after [\_\_\_\_\_] , 2024 (the "Initial Exercise Date") and on or prior to 5:00 p.m. (New York City time) on the fifth anniversary date of Stockholder Approval (the "Termination Date"), but not thereafter, to subscribe for and purchase from Atlantic International Corp., a Delaware corporation (the "Company"), up to [\_\_\_\_\_] shares of Common Stock (as subject to adjustment hereunder, the "Warrant Shares"). The purchase price of one share of common stock, par value \$0.00001 per share (the "Common Stock") under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b).

Section 1. Warrant Agency Agreement. This Warrant is issued subject to the warrant agency agreement dated on or about the issuance date of this Warrant, between the Company and Vstock Transfer, LLC, as warrant agent (the "Warrant Agency Agreement"). To the extent any provision of this Warrant conflicts with the express provisions of the Warrant Agency Agreement, the provisions of this Warrant shall govern and be controlling.

Section 2. Exercise.

a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company of a duly executed facsimile copy or a PDF copy submitted by e-mail (or e-mail attachment) of the Notice of Exercise in the form annexed hereto (the "Notice of Exercise"). Within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(d)(i) herein) following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the Warrant Shares specified in the applicable Notice of Exercise by wire transfer or cashier's check drawn on a United States bank unless the cashless exercise procedure specified in Section 2(c) below is specified in the applicable Notice of Exercise. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date on which the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) Business Day of receipt of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

b) Exercise Price. The exercise price per Warrant Share under this Warrant shall be \$[\_\_\_\_\_] , subject to adjustment hereunder (the "Exercise Price").

c) Cashless Exercise. If at any time of exercise hereof, there is no effective registration statement registering, or the prospectus contained therein is not available for, the issuance of the Warrant Shares to the Holder, then this Warrant may also be exercised, in whole or in part, at such time by means of a “cashless exercise” in which the Holder shall be entitled to receive a number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A) where:

(A) = as applicable: (i) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise if such Notice of Exercise is (1) both executed and delivered pursuant to Section 2(a) hereof on a day that is not a Trading Day or (2) both executed and delivered pursuant to Section 2(a) hereof on a Trading Day prior to the opening of “regular trading hours” (as defined in Rule 600(b) of Regulation NMS promulgated under the federal securities laws) on such Trading Day, (ii) at the option of the Holder, either (y) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise or (z) the Bid Price of the Common Stock on the principal Trading Market as reported by Bloomberg L.P. as of the time of the Holder’s execution of the applicable Notice of Exercise if such Notice of Exercise is executed during “regular trading hours” on a Trading Day and is delivered within two (2) hours thereafter (including until two (2) hours after the close of “regular trading hours” on a Trading Day) pursuant to Section 2(a) hereof or (iii) the VWAP on the date of the applicable Notice of Exercise if the date of such Notice of Exercise is a Trading Day and such Notice of Exercise is both executed and delivered pursuant to Section 2(a) hereof after the close of “regular trading hours” on such Trading Day;

(B) = the Exercise Price of this Warrant, as adjusted hereunder; and

(X) = the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

In addition to the rights with respect to cashless exercise set forth above, subject to the approval of the Company’s stockholders, as described in the next paragraph below, the Holder may, in its sole discretion, exercise this Warrant in whole or in part by means of an “alternative cashless exercise” in which the Holder shall be entitled to receive a number of Warrant Shares equal to the product of (a) the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise and (b) the quotient obtained by dividing (i) the Exercise Price minus the lowest VWAP during the 10 Trading Days immediately prior to the date that the applicable Notice of Exercise is delivered by (ii) 50% of the lowest VWAP during the 10 Trading Days immediately prior to the date of the applicable Notice of Exercise.

The Company shall file an Information Statement on Schedule 14C with the Commission within 15 days after the closing of the offering in which this Warrant was issued, pursuant to which a majority of the Company’s stockholders will agree to permit the above-described alternative cashless exercise, which action shall take effect 20 days following the filing of such Information Statement.

If Warrant Shares are issued in either such cashless exercise, the parties acknowledge and agree that in accordance with Section 3(a)(9) of the Securities Act, the Warrant Shares shall take on the registered characteristics of the Warrants being exercised. The Company agrees not to take any position contrary to this Section 2(c). Without limiting the cashless exercise provision set forth in this Section 2(c), the liquidated damages provision in Section 2(d) (i) or the buy-in provision in Section 2(d)(iv), there is no circumstance that would require the Company to net-cash settle this Warrant.

“Bid Price” means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the bid price of the Common Stock for the time in question (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported on the Pink Open Market (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per Common Stock so reported, or (d) in all other cases, the fair market value of one share of Common Stock as determined by an independent appraiser selected in good faith by the Purchasers of a majority in interest of the Securities then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

“VWAP” means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported on the Pink Open Market (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of Common Stock so reported, or (d) in all other cases, the fair market value of one share of Common Stock as determined by an independent appraiser selected in good faith by the Purchasers of a majority in interest of the Warrants then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

Notwithstanding anything herein to the contrary, on the Termination Date, this Warrant shall be automatically exercised via cashless exercise pursuant to this Section 2(c).

d) Mechanics of Exercise.

i. Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Transfer Agent to the Holder by crediting the account of the Holder’s or its designee’s balance account with the Transfer Agent and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by the Holder or (B) the Warrant is being exercised via cashless exercise, and otherwise by entering in the Company’s register of members the name of the Holder or its designee as the holder of the number of Warrant Shares to which the Holder is entitled pursuant to such exercise and physical delivery of a certificate in respect of such Warrant Shares to the address specified by the Holder in the Notice of Exercise by the date that is the earliest of (i) two (2) Trading Days after the delivery to the Company of the Notice of Exercise, (ii) one (1) Trading Day after delivery of the aggregate Exercise Price to the Company and (iii) the number of Trading Days comprising the Standard Settlement Period after the delivery to the Company of the Notice of Exercise (such date, the “Warrant Share Delivery Date”); Upon the delivery of the Notice of Exercise, the Holder shall be deemed for purposes of Regulation SHO to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, *provided that* payment of the aggregate Exercise Price (other than in the case of a cashless exercise) is received within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period following delivery of the Notice of Exercise. If the Company fails for any reason to deliver to the Holder the Warrant Shares subject to a Notice of Exercise by the Warrant Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each \$1,000 of Warrant Shares subject to such exercise (based on the VWAP on the date of the applicable Notice of Exercise), \$10 per Trading Day (increasing to \$20 per Trading Day on the third Trading Day after such liquidated damages begin to accrue) for each Trading Day after such Warrant Share Delivery Date until such Warrant Shares are delivered or Holder rescinds such exercise. The Company agrees to maintain a transfer agent that is a participant in the FAST program so long as this Warrant remains outstanding and exercisable. As used herein, “Standard Settlement Period” means the standard settlement period, expressed in a number of Trading Days, on the Company’s primary Trading Market with respect to the Common Stock as in effect on the date of delivery of the Notice of Exercise.



ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. If the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

iv. Compensation for Buy-In on Failure to Timely Deliver Warrant Shares Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares in accordance with the provisions of Section 2(d)(i) above pursuant to an exercise on or before the Warrant Share Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder's brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the Common Stock so purchased exceeds (y) the amount obtained by multiplying (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Stock having a total purchase price of \$11,000 to cover a Buy-In with respect to an attempted exercise of Common Stock with an aggregate sale price giving rise to such purchase obligation of \$10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder \$1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver Common Stock upon exercise of the Warrant as required pursuant to the terms hereof.

v. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

vi. Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

vii. Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

e) Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates (such Persons, "Attribution Parties")), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates and Attribution Parties shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (i) exercise of the remaining, non-exercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or non-converted portion of any other securities of the Company (including, without limitation, any other Common Stock Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, the Company shall within one (1) Trading Day confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates or Attribution Parties since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 4.99% of the number of shares of Common Stock outstanding immediately after giving effect to the issuance of Common Stock issuable upon exercise of this Warrant. The Holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(e), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of Common Stock outstanding immediately after giving effect to the issuance of Common Stock upon exercise of this Warrant held by the Holder and the provisions of this Section 2(e) shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61<sup>st</sup> day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

### Section 3. Certain Adjustments.

a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on its Common Stock or any other equity or equity equivalent securities payable in Common Stock (which, for avoidance of doubt, shall not include any Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides its outstanding Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) its outstanding Common Stock into a smaller number of shares or (iv) issues by reclassification of its Common Stock any capital shares of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) Intentionally Omitted.

c) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Company grants, issues or sells any Common Stock Equivalents or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of Common Stock (the "Purchase Rights"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, that, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such shares of Common Stock as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation). To the extent that this Warrant has not been partially or completely exercised at the time of such grant, issuance or sale of the Purchase Rights, such Purchase Rights shall be held in abeyance for the benefit of the Holder until the Holder has exercised this Warrant; provided, however, that to the extent such Purchase Rights expire for the stockholders of the Company if not exercised, the Purchase Rights will also expire for the Holder as of such date.

d) Pro Rata Distributions. During such time as this Warrant is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "Distribution"), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of Common Stock are to be determined for the participation in such Distribution (provided, however, that, to the extent that the Holder's right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any Common Stock as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation). To the extent that this Warrant has not been partially or completely exercised at the time of such Distribution, such portion of the Distribution shall be held in abeyance for the benefit of the Holder until the Holder has exercised this Warrant.

e) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of fifty percent (50%) or more of the outstanding Common Stock, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off, merger or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than fifty percent (50%) of the outstanding shares of Common Stock (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. Notwithstanding anything to the contrary, in the event of a Fundamental Transaction, the Company or any Successor Entity (as defined below) shall, at the Holder's option, exercisable at any time concurrently with, or within 30 days after, the consummation of the Fundamental Transaction (or, if later, the date of the public announcement of the applicable Fundamental Transaction), purchase this Warrant from the Holder by paying to the Holder an amount of cash equal to the Black Scholes Value (as defined below) of the remaining unexercised portion of this Warrant on the date of the consummation of such Fundamental Transaction; provided, however, that, if the Fundamental Transaction is not within the Company's control, including not approved by the Company's Board of Directors, Holder shall only be entitled to receive from the Company or any Successor Entity the same type or form of consideration (and in the same proportion), at the Black Scholes Value of the unexercised portion of this Warrant, that is being offered and paid to the holders of shares of Common Stock of the Company in connection with the Fundamental Transaction, whether that consideration be in the form of cash, stock or any combination thereof, or whether the holders of Common Stock are given the choice to receive from among alternative forms of consideration in connection with the Fundamental Transaction; provided, further, that if holders of Common Stock of the Company are not offered or paid any consideration in such Fundamental Transaction, such holders of Common Stock will be deemed to have received common equity of the Successor Entity (which Entity may be the Company following such Fundamental Transaction) in such Fundamental Transaction. "Black Scholes Value" means the value of this Warrant based on the Black-Scholes Option Pricing Model obtained from the "OV" function on Bloomberg determined as of the day of consummation of the applicable Fundamental Transaction for pricing purposes and reflecting (A) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the time between the date of the public announcement of the applicable contemplated Fundamental Transaction and the Termination Date, (B) an expected volatility equal to the greater of 100% and the 100 day volatility obtained from the HVT function on Bloomberg (determined utilizing a 365 day annualization factor) as of the Trading Day immediately following the public announcement of the applicable contemplated Fundamental Transaction, (C) the underlying price per share used in such calculation shall be the greater of (i) the sum of the price per share being offered in cash, if any, plus the value of any non-cash consideration, if any, being offered in such Fundamental Transaction and (ii) the highest VWAP during the period beginning on the Trading Day immediately preceding the public announcement of the applicable contemplated Fundamental Transaction (or the consummation of the applicable Fundamental Transaction, if earlier) and ending on the Trading Day of the Holder's request pursuant to this Section 3(d) and (D) a remaining option time equal to the time between the date of the public announcement of the applicable contemplated Fundamental Transaction and the Termination Date, and (E) a zero cost of borrow. The payment of the Black Scholes Value will be made by wire transfer of immediately available funds (or such other consideration) within the later of (i) five Business Days of the Holder's election and (ii) the date of consummation of the Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant and the other Transaction Documents in accordance with the provisions of this Section 3(e) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein.

f) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

g) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the shares of Common Stock are converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by email to the Holder at its last email address as it shall appear upon the Warrant Register of the Company, at least twenty (20) calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided in this Warrant constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

a) Transferability. This Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary and subject to Sections 2(a) and 2(d)(ii), the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within three (3) Trading Days of the date on which the Holder delivers an assignment form to the Company assigning this Warrant in full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the original Issue Date and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

Section 5. Miscellaneous.

a) No Rights as Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i). Notwithstanding the foregoing, prior to the exercise of the Warrant, the Holder shall have all the rights as a Holder of the Warrant, including, without limitation, as set forth in Section 3.

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any share certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or share certificate, if mutilated, the Company will make and deliver a new Warrant or share certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or share certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Trading Day, then, such action may be taken or such right may be exercised on the next succeeding Trading Day.

d) Authorized Shares.

The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued shares of Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of completing the issuance of the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and non-assessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its amended and restated memorandum and articles of association or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e) Governing Law and Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Warrant (whether brought against a party hereto or their respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Warrant and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If either party shall commence an action, suit or proceeding to enforce any provisions of this Warrant, the prevailing party in such action, suit or proceeding shall be reimbursed by the other party for their reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding.

f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered and the Holder does not utilize cashless exercise, will have restrictions upon resale imposed by state and federal securities laws.

g) Non-waiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. Without limiting any other provision of this Warrant, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h) Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder including, without limitation, any Notice of Exercise, shall be in writing and delivered personally, by facsimile or e-mail, or sent by a nationally recognized overnight courier service, addressed to the Company, at 270 Sylvan Avenue, Suite 2230, Englewood Cliffs, New Jersey 07632, or such other facsimile number, email address or address as the Company may specify for such purposes by notice to the Holders. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by facsimile or e-mail, or sent by a nationally recognized overnight courier service addressed to each Holder at the facsimile number, e-mail address or address of such Holder appearing on the books of the Company. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the time of transmission, if such notice or communication is delivered via facsimile at the facsimile number or via e-mail at the e-mail address set forth in this Section prior to 5:30 p.m. (New York City time) on any date, (ii) the next Trading Day after the time of transmission, if such notice or communication is delivered via facsimile at the facsimile number or via e-mail at the e-mail address set forth in this Section on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given.

i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.



j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of the Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or a holder of Warrant Shares.

l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

o) Mandatory Reverse Split of Common Stock. In the event that the closing price of the Common Stock on the Trading Market is below \$0.01 for five (5) consecutive Trading Days, the Company shall promptly effectuate a reverse split of its Common Stock (a "Reverse Split").

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*(Signature Page Follows)*

IN WITNESS WHEREOF, the Company has caused this Series B Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

**ATLANTIC INTERNATIONAL CORP.**

By: \_\_\_\_\_

Name:

Title:

**NOTICE OF EXERCISE  
SERIES B WARRANT**

TO: Atlantic International Corp.

(1) The undersigned hereby elects to purchase \_\_\_\_\_ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

- in lawful money of the United States; or
- if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

\_\_\_\_\_

The Warrant Shares shall be delivered to the following DWAC Account Number:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

[SIGNATURE OF HOLDER]

Name of Investing Entity:

\_\_\_\_\_  
*Signature of Authorized Signatory of Investing Entity:*

Name of Authorized Signatory:

\_\_\_\_\_  
Title of Authorized Signatory:

Date:

\_\_\_\_\_

**ASSIGNMENT FORM  
SERIES B WARRANT**

*(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)*

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name:

\_\_\_\_\_  
(Please Print)

Address:

\_\_\_\_\_  
(Please Print)

Phone Number:

\_\_\_\_\_

Email Address:

\_\_\_\_\_

Dated: \_\_\_\_\_, \_\_\_\_\_

Holder's Signature: \_\_\_\_\_

Holder's Address: \_\_\_\_\_

\_\_\_\_\_

## PRE-FUNDED COMMON STOCK PURCHASE WARRANT

## ATLANTIC INTERNATIONAL CORP.

Warrant Shares: [\_\_\_\_\_]

Initial Exercise Date: [\_\_], 2024

THIS PRE-FUNDED COMMON STOCK PURCHASE WARRANT (the “Warrant”) certifies that, for value received, [\_\_\_\_\_] or its assigns (the “Holder”) is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date hereof (the “Initial Exercise Date”) and until this Warrant is exercised in full (the “Termination Date”) but not thereafter, to subscribe for and purchase from Atlantic International Corp., a Delaware corporation, in connection with the transactions contemplated hereunder, a Delaware corporation (the “Company”), up to [\_\_\_\_\_] shares (as subject to adjustment hereunder, the “Warrant Shares”) of Common Stock. The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b).

Section 1. Definitions. In addition to the terms defined elsewhere in this Warrant, the following terms have the meanings indicated in this Section 1:

“Affiliate” means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

“Bid Price” means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the bid price of the Common Stock for the time in question (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported in the “Pink Sheets” published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Holders of a majority in interest of the Warrants then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

“Business Day” means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

“Commission” means the United States Securities and Exchange Commission.

“Common Stock” means the common stock of the Company, par value \$0.00001 per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

“Common Stock Equivalents” means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“Person” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

“Registration Statement” means the Company’s registration statement on Form S-1 (File No. 333-272908).

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Subsidiary” means any subsidiary of the Company and shall, where applicable, also include any direct or indirect subsidiary of the Company formed or acquired after the date hereof.

“Trading Day” means a day on which the Common Stock is traded on a Trading Market.

“Trading Market” means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: Cboe BZX Exchange, Inc., the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange (or any successors to any of the foregoing).

“Transfer Agent” means Vstock Transfer, LLC, the current transfer agent of the Company, with a mailing address of 18 Lafayette Place, Woodmere, NY 11598, and any successor transfer agent of the Company.

“VWAP” means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported in the “Pink Sheets” published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the holders of a majority in interest of the Warrants then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

“Warrants” means this Warrant and other Pre-Funded Common Stock purchase warrants issued by the Company pursuant to the Registration Statement.

Section 2. Exercise.

a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company of a duly executed facsimile copy or PDF copy submitted by e-mail (or e-mail attachment) of the Notice of Exercise in the form annexed hereto (the “Notice of Exercise”). Within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(d)(i) herein) following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the shares specified in the applicable Notice of Exercise by wire transfer or cashier’s check drawn on a United States bank unless the cashless exercise procedure specified in Section 2(c) below is specified in the applicable Notice of Exercise. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. If the Company fails for any reason to deliver to the Holder the Warrant Shares subject to a Notice of Exercise by the Warrant Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each \$1,000 of Warrant Shares subject to such exercise (based on the VWAP on the date of the applicable Notice of Exercise), \$10 per Trading Day (increasing to \$20 per Trading Day on the third Trading Day after such liquidated damages begin to accrue) for each Trading Day after such Warrant Share Delivery Date until such Warrant Shares are delivered or Holder rescinds such exercise. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date on which the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) Business Day of receipt of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

For the avoidance of doubt, at any time during which there is no effective registration statement for the resale of the Warrant Shares, the Company may settle the exercise of the Warrant with unregistered shares of Common Stock.

b) Exercise Price. The aggregate exercise price of this Warrant, except for a nominal exercise price of \$0.0001 per Warrant Share, was pre-funded to the Company on or prior to the Initial Exercise Date and, consequently, no additional consideration (other than the nominal exercise price of \$0.0001 per Warrant Share) shall be required to be paid by the Holder to any Person to effect any exercise of this Warrant. The Holder shall not be entitled to the return or refund of all, or any portion, of such pre-paid aggregate exercise price under any circumstance or for any reason whatsoever, including in the event this Warrant shall not have been exercised prior to the Termination Date. The remaining unpaid exercise price per share of Common Stock under this Warrant shall be \$0.0001, subject to adjustment hereunder (the “Exercise Price”).

c) Cashless Exercise. This Warrant may be exercised, in whole or in part, at such time by means of a “cashless exercise” in which the Holder shall be entitled to receive a number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

- (A) = as applicable: (i) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise if such Notice of Exercise is (1) both executed and delivered pursuant to Section 2(a) hereof on a day that is not a Trading Day or (2) both executed and delivered pursuant to Section 2(a) hereof on a Trading Day prior to the opening of “regular trading hours” (as defined in Rule 600(b)(68) of Regulation NMS promulgated under the federal securities laws) on such Trading Day, (ii) at the option of the Holder, either (y) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise or (z) the Bid Price of the Common Stock on the principal Trading Market as reported by Bloomberg L.P. as of the time of the Holder’s execution of the applicable Notice of Exercise if such Notice of Exercise is executed during “regular trading hours” on a Trading Day and is delivered within two (2) hours thereafter (including until two (2) hours after the close of “regular trading hours” on a Trading Day) pursuant to Section 2(a) hereof or (iii) the VWAP on the date of the applicable Notice of Exercise if the date of such Notice of Exercise is a Trading Day and such Notice of Exercise is both executed and delivered pursuant to Section 2(a) hereof after the close of “regular trading hours” on such Trading Day;
- (B) = the Exercise Price of this Warrant, as adjusted hereunder; and
- (X) = the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

If Warrant Shares are issued in such a cashless exercise, the parties acknowledge and agree that in accordance with Section 3(a)(9) of the Securities Act, the Warrant Shares shall take on the registered characteristics of the Warrants being exercised. The Company agrees not to take any position contrary to this Section 2(c).



d) Mechanics of Exercise.

i. Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Transfer Agent to the Holder by crediting the account of the Holder's or its designee's balance account with the Transfer Agent and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by Holder or (B) this Warrant is being exercised via cashless exercise, and otherwise by physical delivery of a certificate, registered in the Company's share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the address specified by the Holder in the Notice of Exercise by the date that is the earliest of (i) two (2) Trading Days after the delivery to the Company of the Notice of Exercise, (ii) one (1) Trading Day after delivery of the aggregate Exercise Price to the Company and (iii) the number of Trading Days comprising the Standard Settlement Period after the delivery to the Company of the Notice of Exercise (such date, the "Warrant Share Delivery Date"). Upon delivery of the Notice of Exercise, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, provided that payment of the aggregate Exercise Price (other than in the case of a cashless exercise) is received within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period following delivery of the Notice of Exercise. The Company agrees to maintain a transfer agent that is a participant in the FAST program so long as this Warrant remains outstanding and exercisable. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary Trading Market with respect to the Common Stock as in effect on the date of delivery of the Notice of Exercise. Notwithstanding the foregoing, with respect to any Notice(s) of Exercise delivered on or prior to 12:00 p.m. (New York City time) on the Initial Exercise Date, which may be delivered at any time after the time of execution of the Underwriting Agreement, dated May [●], 2024 between the Company and EF Hutton, the Company agrees to deliver the Warrant Shares subject to such notice(s) by 4:00 p.m. (New York City time) on the Initial Exercise Date and the Initial Exercise Date shall be the Warrant Share Delivery Date for purposes hereunder.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. If the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

iv. Compensation for Buy-In on Failure to Timely Deliver Warrant Shares Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares in accordance with the provisions of Section 2(d)(i) above pursuant to an exercise on or before the Warrant Share Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder's brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (y) the amount obtained by multiplying (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Stock having a total purchase price of \$11,000 to cover a Buy-In with respect to an attempted exercise of shares of Common Stock with an aggregate sale price giving rise to such purchase obligation of \$10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder \$1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver shares of Common Stock upon exercise of the Warrant as required pursuant to the terms hereof.

v. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

vi. Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that, in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

vii. Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

e) Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates and any other Persons whose beneficial ownership of shares of Common Stock would or could be aggregated with the Holder's for the purposes of Section 13(d) (such Persons, "Attribution Parties")), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates and Attribution Parties shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (i) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any other Common Stock Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, the Company shall within one Trading Day confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates or Attribution Parties since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 4.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon exercise of this Warrant. The Holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(e), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon exercise of this Warrant held by the Holder and the provisions of this Section 2(e) shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61<sup>st</sup> day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

### Section 3. Certain Adjustments.

a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iv) issues by reclassification of shares of the Common Stock any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) Intentionally omitted.

c) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Company grants, issues or sells any Common Stock Equivalents or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of shares of Common Stock (the "Purchase Rights"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, that, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such shares of Common Stock as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

d) Pro Rata Distributions. During such time as this Warrant is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a “Distribution”), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the participation in such Distribution (provided, however, that, to the extent that the Holder’s right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any shares of Common Stock as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation). To the extent that this Warrant has not been partially or completely exercised at the time of such Distribution, such portion of the Distribution shall be held in abeyance for the benefit of the Holder until the Holder has exercised this Warrant.

e) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off, merger or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a “Fundamental Transaction”), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the “Alternate Consideration”) receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction.

f) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

g) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by facsimile or email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by facsimile or email to the Holder at its last facsimile number or email address as it shall appear upon the Warrant Register of the Company, at least 20 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided in this Warrant constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

h) Voluntary Adjustment By Company. Subject to the rules and regulations of the Trading Market, the Company may at any time during the term of this Warrant, subject to the prior written consent of the Holder, reduce the then current Exercise Price to any amount and for any period of time deemed appropriate by the board of directors of the Company.

Section 4. Transfer of Warrant.

a) Transferability. This Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within three (3) Trading Days of the date on which the Holder delivers an assignment form to the Company assigning this Warrant in full. This Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the initial issuance date of this Warrant and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the “Warrant Register”), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

#### Section 5. Miscellaneous.

a) No Rights as Stockholder Until Exercise; No Settlement in Cash. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i), except as expressly set forth in Section 3. Without limiting any rights of a Holder to receive Warrant Shares on a “cashless exercise” pursuant to Section 2(c) or to receive cash payments pursuant to Section 2(d)(i) and Section 2(d)(iv) herein, in no event shall the Company be required to net cash settle an exercise of this Warrant.

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Trading Day, then, such action may be taken or such right may be exercised on the next succeeding Trading Day.

#### d) Authorized Shares.

The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).



Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Warrant (whether brought against a party hereto or their respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Warrant and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If either party shall commence an action, suit or proceeding to enforce any provisions of this Warrant, the prevailing party in such action, suit or proceeding shall be reimbursed by the other party for their reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding. Notwithstanding the foregoing, nothing in this paragraph shall limit or restrict the federal district court in which a Holder may bring a claim under the federal securities laws.

f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, and the Holder does not utilize cashless exercise, will have restrictions upon resale imposed by state and federal securities laws.

g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. Without limiting any other provision of this Warrant, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h) Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder including, without limitation, any Notice of Exercise, shall be in writing and delivered personally, by facsimile or e-mail, or sent by a nationally recognized overnight courier service, addressed to the Company, at Atlantic International Corp. 270 Sylvan Avenue, Suite 2230, Englewood Cliffs, New Jersey 07632, Attention: Chief Executive Officer, facsimile number (201) 899-4470, E-mail: jjagid@atlantic-international.com, or such other facsimile number, email address or address as the Company may specify for such purposes by notice to the Holders. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by facsimile or e-mail, or sent by a nationally recognized overnight courier service addressed to each Holder at the facsimile number, e-mail address or address of such Holder appearing on the books of the Company. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the time of transmission, if such notice or communication is delivered via facsimile at the facsimile number or via e-mail at the e-mail address set forth in this Section prior to 5:30 p.m. (New York City time) on any date, (ii) the next Trading Day after the time of transmission, if such notice or communication is delivered via facsimile at the facsimile number or via e-mail at the e-mail address set forth in this Section on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Company or any Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K.

i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company, on the one hand, and the Holder, on the other hand.

m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

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*(Signature Page Follows)*

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

**ATLANTIC INTERNATIONAL CORP.**

By: \_\_\_\_\_

Name: Jeffrey Jagid

Title: Chief Executive Officer

**NOTICE OF EXERCISE**

TO: ATLANTIC INTERNATIONAL CORP.

(1) The undersigned hereby elects to purchase \_\_\_\_\_ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

in lawful money of the United States; or

the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

\_\_\_\_\_

The Warrant Shares shall be delivered to the following DWAC Account Number:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

[SIGNATURE OF HOLDER]

Name of Investing Entity: \_\_\_\_\_

*Signature of Authorized Signatory of Investing Entity:* \_\_\_\_\_

Name of Authorized Signatory: \_\_\_\_\_

Title of Authorized Signatory: \_\_\_\_\_

Date: \_\_\_\_\_

**ASSIGNMENT FORM**

*(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)*

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name: \_\_\_\_\_  
(Please Print)

Address: \_\_\_\_\_  
(Please Print)

Phone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Dated: \_\_\_\_\_, \_\_\_\_\_

Holder's Signature: \_\_\_\_\_

Holder's Address: \_\_\_\_\_

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in this Post-Effective Amendment No. 2 to the Registration Statement (No. 333-272908) on Form S-1 and related Prospectus of SeqLL Inc. of our report dated April 9, 2024, relating to the consolidated financial statements of SeqLL Inc., appearing in the Annual Report on Form 10-K of SeqLL Inc. for the years ended December 31, 2023 and 2022.

We also consent to the reference to our firm under the heading “Experts” in such Prospectus.

/s/ Wolf & Company, P.C.

Boston, Massachusetts

May 1, 2024

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation in the Registration Statement of SeqLL, Inc. on Form S-1 Post-Effective Amendment No. 2 of our report dated April 16, 2024 with respect to our audits of the financial statements of Lyneer Investments, LLC as of December 31, 2023 and 2022, and for the years ended December 31, 2023 and 2022, which includes an explanatory paragraph as to the Company's ability to continue as a going concern.

We also consent to the reference to us under the heading "Experts" in the Prospectus, which is part of this Registration Statement.

RASM LLP

Las Vegas, Nevada

May 1, 2024