

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

FORM 10-Q

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

For the quarterly period ended September 30, 2022

OR

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

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

**HEALTH SCIENCES ACQUISITIONS CORPORATION 2**  
(Exact Name of Registrant as Specified in Charter)

<b>Cayman</b> (State or Other Jurisdiction of Incorporation)	<b>001-39421</b> (Commission File Number)	<b>N/A</b> (IRS Employer Identification No.)
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**40 10<sup>th</sup> Avenue, Floor 7**  
**New York, New York 10014**  
(Address of Principal Executive Offices) (Zip Code)

**(646) 597-6980**  
(Registrant's Telephone Number, Including Area Code)

**Not Applicable**  
(Former Name or Former Address, if Changed Since Last Report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary Shares	HSAQ	The Nasdaq Stock Market LLC

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large, accelerated filer, an accelerated filer, a non-accelerated filer, 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 provided pursuant to Section 13(a) of the Exchange Act.

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

As of November 14, 2022, 11,212,117 ordinary shares, par value \$0.0001 per share, were issued and outstanding.

HEALTH SCIENCES ACQUISITIONS CORPORATION 2

Form 10-Q

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**PART I. FINANCIAL INFORMATION**

**Item 1. Condensed Consolidated Financial Statements**

**HEALTH SCIENCES ACQUISITIONS CORPORATION 2  
CONDENSED CONSOLIDATED BALANCE SHEETS**

	<b>September 30, 2022</b>	<b>December 31, 2021</b>
	<b>(Unaudited)</b>	
<b>Assets:</b>		
Current assets:		
Cash	\$ 735,217	\$ 1,754,460
Prepaid expenses	137,338	46,667
<b>Total current assets</b>	<b>872,555</b>	<b>1,801,127</b>
Cash and investments held in Trust Account	67,776,498	160,022,447
<b>Total Assets</b>	<b>\$ 68,649,053</b>	<b>\$ 161,823,574</b>
<b>Liabilities, Ordinary Shares Subject to Possible Redemption and Shareholders' Deficit</b>		
Current liabilities:		
Accounts payable	\$ 281,561	\$ 1,388
Accrued expenses	1,158,948	14,151
Accrued expenses - related party	-	150,000
<b>Total current liabilities</b>	<b>1,440,509</b>	<b>165,539</b>
Deferred underwriting commissions	5,600,000	5,600,000
<b>Total liabilities</b>	<b>7,040,509</b>	<b>5,765,539</b>
<b>Commitments and Contingencies</b>		
Ordinary shares subject to possible redemption, \$0.0001 par value; 6,762,117 and 16,000,000 shares issued and outstanding at approximately \$10.01 and \$10.00 per share redemption value as of September 30, 2022 and December 31, 2021, respectively	67,676,498	160,000,000
<b>Shareholders' Deficit:</b>		
Preference shares, \$0.0001 par value; 1,000,000 shares authorized; none issued or outstanding as of September 30, 2022 and December 31, 2021	-	-
Ordinary shares, \$0.0001 par value; 100,000,000 shares authorized; 4,450,000 non-redeemable shares issued and outstanding as of September 30, 2022 and December 31, 2021	445	445
Additional paid-in capital	-	-
Accumulated deficit	(6,068,399)	(3,942,410)
<b>Total shareholders' deficit</b>	<b>(6,067,954)</b>	<b>(3,941,965)</b>
<b>Total Liabilities, Ordinary Shares Subject to Possible Redemption and Shareholders' Deficit</b>	<b>\$ 68,649,053</b>	<b>\$ 161,823,574</b>

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

**HEALTH SCIENCES ACQUISITIONS CORPORATION 2**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

	<b>For the Three Months Ended</b>		<b>For the Nine Months Ended</b>	
	<b>September 30, 2022</b>	<b>September 30, 2021</b>	<b>September 30, 2022</b>	<b>September 30, 2021</b>
<b>Operating expenses</b>				
General and administrative expenses	\$ 783,415	\$ 64,445	\$ 2,113,542	\$ 212,711
Administrative fee - related party	30,000	30,000	90,000	90,000
Loss from operations	(813,415)	(94,445)	(2,203,542)	(302,711)
Interest income from investments held in Trust Account	127,624	4,034	345,141	11,969
<b>Net loss</b>	<b>\$ (685,791)</b>	<b>\$ (90,411)</b>	<b>\$ (1,858,401)</b>	<b>\$ (290,742)</b>
<b>Weighted average shares outstanding of ordinary shares, basic and diluted</b>	<b>13,722,411</b>	<b>20,450,000</b>	<b>18,182,827</b>	<b>20,450,000</b>
<b>Basic and diluted net loss per ordinary share</b>	<b>\$ (0.05)</b>	<b>\$ (0.00)</b>	<b>\$ (0.10)</b>	<b>\$ (0.01)</b>

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

**HEALTH SCIENCES ACQUISITIONS CORPORATION 2**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT**

**For the Three and Nine Months Ended September 30, 2022**

	Ordinary Shares		Additional Paid-In Capital	Accumulated Deficit	Total Shareholders' Deficit
	Shares	Amount			
<b>Balance - December 31, 2021</b>	<b>4,450,000</b>	<b>\$ 445</b>	<b>\$ -</b>	<b>\$ (3,942,410)</b>	<b>\$ (3,941,965)</b>
Net loss	-	-	-	(437,689)	(437,689)
<b>Balance - March 31, 2022 (unaudited)</b>	<b>4,450,000</b>	<b>445</b>	<b>-</b>	<b>(4,380,099)</b>	<b>(4,379,654)</b>
Increase in redemption value of ordinary shares subject to possible redemption	-	-	-	(139,964)	(139,964)
Net loss	-	-	-	(734,921)	(734,921)
<b>Balance - June 30, 2022 (unaudited)</b>	<b>4,450,000</b>	<b>445</b>	<b>-</b>	<b>(5,254,984)</b>	<b>(5,254,539)</b>
Increase in redemption value of ordinary shares subject to possible redemption	-	-	-	(127,624)	(127,624)
Net loss	-	-	-	(685,791)	(685,791)
<b>Balance - September 30, 2022 (unaudited)</b>	<b>4,450,000</b>	<b>\$ 445</b>	<b>\$ -</b>	<b>\$ (6,068,399)</b>	<b>\$ (6,067,954)</b>

**For the Three and Nine Months Ended September 30, 2021**

	Ordinary Shares		Additional Paid-In Capital	Accumulated Deficit	Total Shareholders' Deficit
	Shares	Amount			
<b>Balance - December 31, 2020</b>	<b>4,450,000</b>	<b>\$ 445</b>	<b>\$ -</b>	<b>\$ (3,563,657)</b>	<b>\$ (3,563,212)</b>
Net loss	-	-	-	(108,002)	(108,002)
<b>Balance - March 31, 2021 (unaudited)</b>	<b>4,450,000</b>	<b>445</b>	<b>-</b>	<b>(3,671,659)</b>	<b>(3,671,214)</b>
Net loss	-	-	-	(92,329)	(92,329)
<b>Balance - June 30, 2021 (unaudited)</b>	<b>4,450,000</b>	<b>445</b>	<b>-</b>	<b>(3,763,988)</b>	<b>(3,763,543)</b>
Net loss	-	-	-	(90,411)	(90,411)
<b>Balance - September 30, 2021 (unaudited)</b>	<b>4,450,000</b>	<b>\$ 445</b>	<b>\$ -</b>	<b>\$ (3,854,399)</b>	<b>\$ (3,853,954)</b>

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

**HEALTH SCIENCES ACQUISITIONS CORPORATION 2**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>For the Nine Months Ended</b>	
	<b>September 30,</b>	<b>September 30,</b>
	<b>2022</b>	<b>2021</b>
<b>Cash Flows from Operating Activities:</b>		
Net loss	\$ (1,858,401)	\$ (290,742)
Adjustments to reconcile to net loss to net cash used in operating activities		
Interest income from investments held in Trust Account	(345,141)	(11,969)
Changes in operating assets and liabilities:		
Prepaid expenses	(90,671)	41,311
Accounts payable	280,173	(12,155)
Accrued expenses	1,144,797	(59,972)
Accrued expenses - related party	(150,000)	90,000
Net cash used in operating activities	<u>(1,019,243)</u>	<u>(243,527)</u>
<b>Cash Flows from Investing Activities:</b>		
Cash withdrawn from Trust Account to redeem Public Shares	92,591,090	-
Cash provided by investing activities	<u>92,591,090</u>	<u>-</u>
<b>Cash Flows from Financing Activities:</b>		
Redemption of Public Shares	(92,591,090)	-
Cash used in financing activities	<u>(92,591,090)</u>	<u>-</u>
Net change in cash	(1,019,243)	(243,527)
Cash - beginning of the period	1,754,460	2,026,822
<b>Cash - end of the period</b>	<b><u>\$ 735,217</u></b>	<b><u>\$ 1,783,295</u></b>

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

**HEALTH SCIENCES ACQUISITIONS CORPORATION 2**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 1-Description of Organization, Business Operations and Going Concern**

***Organization and General***

Health Sciences Acquisitions Corporation 2 (the “Company”) was incorporated on May 25, 2020 as a Cayman Islands exempted company for the purpose of entering into a merger, share exchange, asset acquisition, share purchase, recapitalization, reorganization or similar business combination with one or more businesses or entities (“Business Combination”). Although the Company is not limited to a particular industry or geographic region for purposes of consummating a Business Combination, the Company intends to pursue prospective targets that are focused on healthcare innovation. The Company has neither engaged in any operations nor generated any operating revenue to date. The Company is an “emerging growth company,” as defined in Section 2(a) of the Securities Act of 1933, as amended (the “Securities Act”), as modified by the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”).

As of September 30, 2022, the Company had not commenced any operations. All activity for the period from May 25, 2020 (inception) through September 30, 2022 was related to the Company’s formation and its Initial Public Offering (as defined below), and, since the Initial Public Offering, the search for a prospective initial Business Combination. The Company will not generate any operating revenue until after the completion of its initial Business Combination, at the earliest. The Company generates non-operating income from its investments held in the Trust Account (as defined below).

***Sponsor and Financing***

The Company’s sponsor is HSAC 2 Holdings, LLC (the “Sponsor”). The registration statement for the Company’s initial public offering (the “Initial Public Offering”) was declared effective on August 3, 2020. On August 6, 2020, the Company consummated its Initial Public Offering of 16,000,000 ordinary shares (the “Public Shares”), including the issuance of 2,086,956 Public Shares as a result of the underwriters’ full exercise of their over-allotment option, at an offering price of \$10.00 per Public Share, generating gross proceeds of \$160.0 million, and incurring offering costs of approximately \$9.4 million, inclusive of \$5.6 million in deferred underwriting commissions (see Note 6).

Simultaneously with the closing of the Initial Public Offering, the Company consummated the private placement (the “Private Placement”) with the Sponsor of (i) 450,000 ordinary shares (the “Private Placement Shares”), at a price of \$10.00 per Private Placement Share (for a total purchase price of \$4.5 million), and (ii) 1,500,000 warrants (the “Private Placement Warrants”) at a price of \$1.00 per Private Placement Warrant (for a total purchase price of \$1.5 million), generating gross proceeds to the Company of \$6.0 million (see Note 4).

***Trust Account***

Upon the closing of the Initial Public Offering and the Private Placement (including the exercise of the over-allotment option), \$160.0 million (\$10.00 per Public Share) of the net proceeds of the Initial Public Offering and the Private Placement was placed in a U.S. based trust account (the “Trust Account”), maintained by Continental Stock Transfer & Trust Company, acting as trustee, and invested in U.S. “government securities” within the meaning of Section 2(a)(16) of the Investment Company Act of 1940, as amended (the “Investment Company Act”), having a maturity of 185 days or less or in money market funds meeting certain conditions under Rule 2a-7 promulgated under the Investment Company Act, which invest only in direct U.S. government treasury obligations, until the earlier of (i) the completion of a Business Combination and (ii) the distribution of the Trust Account as described below. On July 25, 2022, the entire Trust Account balance was transferred into cash in connection with the redemptions described in Note 1.

***Initial Business Combination***

The Company’s management has broad discretion with respect to the specific application of the net proceeds of its Initial Public Offering and the Private Placement, although substantially all of the net proceeds are intended to be applied generally toward consummating a Business Combination. Furthermore, there is no assurance that the Company will be able to successfully complete a Business Combination.

**HEALTH SCIENCES ACQUISITIONS CORPORATION 2**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

Pursuant to stock exchange listing rules, the Company's initial Business Combination must be with one or more operating businesses or assets with a fair market value equal to at least 80% of the net assets held in the Trust Account (excluding the amount of any deferred underwriting commissions held in trust and taxes payable on the income earned on the Trust Account) at the time the Company signs a definitive agreement in connection with the initial Business Combination. However, the Company will only complete a Business Combination if the post-transaction company owns or acquires 50% or more of the outstanding voting securities of the target or otherwise acquires a controlling interest in the target sufficient for it not to be required to register as an investment company under the Investment Company Act.

The Company will provide holders of the Public Shares (the "Public Shareholders") with the opportunity to redeem all or a portion of their Public Shares upon the completion of a Business Combination either (i) in connection with a shareholder meeting called to approve the Business Combination or (ii) by means of a tender offer. The decision as to whether the Company will seek shareholder approval of a Business Combination or conduct a tender offer will be made by the Company, solely in its discretion. The Public Shareholders will be entitled to redeem their Public Shares for a pro rata portion of the amount then in the Trust Account (initially at \$10.00 per Public Share, plus any pro rata interest earned on the funds held in the Trust Account and not previously released to the Company to pay its tax obligations). The per-share amount to be distributed to Public Shareholders who redeem their Public Shares will not be reduced by the deferred underwriting commissions the Company will pay to the underwriters (as discussed in Note 6). As a result, such ordinary shares have been recorded at redemption amount and classified as temporary equity, in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 480, "Distinguishing Liabilities from Equity." In such case, the Company will proceed with a Business Combination if the Company has net tangible assets of at least \$5,000,001 upon such consummation of a Business Combination and a majority of the ordinary shares voted are voted in favor of the Business Combination. If a shareholder vote is not required by law and the Company does not decide to hold a shareholder vote for business or other legal reasons, the Company will, pursuant to its amended and restated memorandum and articles of association (the "Amended and Restated Memorandum and Articles of Association"), conduct the redemptions pursuant to the tender offer rules of the U.S. Securities and Exchange Commission (the "SEC"), and file tender offer documents with the SEC prior to completing a Business Combination. If, however, a shareholder approval of the transactions is required by law, or the Company decides to obtain shareholder approval for business or legal reasons, the Company will offer to redeem ordinary shares in conjunction with a proxy solicitation pursuant to the proxy rules and not pursuant to the tender offer rules. Additionally, each Public Shareholder may elect to redeem their Public Shares irrespective of whether they vote for or against the proposed transaction. If the Company seeks shareholder approval in connection with a Business Combination, the holders of the Insider Shares (as defined in Note 5) prior to the Initial Public Offering (the "Initial Shareholders") have agreed to vote their Insider Shares and any Public Shares purchased during or after the Initial Public Offering in favor of a Business Combination. In addition, the Initial Shareholders have agreed to waive their redemption rights with respect to their Insider Shares, Private Placement Shares, and Public Shares in connection with the completion of a Business Combination.

Notwithstanding the foregoing, the Company's Amended and Restated Memorandum and Articles of Association provides that a Public Shareholder, together with any affiliate of such shareholder or any other person with whom such shareholder is acting in concert or as a "group" (as defined under Section 13 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), will be restricted from redeeming its ordinary shares with respect to more than 20% the ordinary shares sold in the Initial Public Offering, without the prior consent of the Company.

The Company's Sponsor, executive officers, directors and director nominees have agreed not to propose an amendment to the Company's Amended and Restated Memorandum and Articles of Association that would affect the substance or timing of the Company's obligation to provide for the redemption of its Public Shares in connection with a Business Combination or to redeem 100% of its Public Shares if the Company does not complete a Business Combination, unless the Company provides the Public Shareholders with the opportunity to redeem their ordinary shares in conjunction with any such amendment.



**HEALTH SCIENCES ACQUISITIONS CORPORATION 2**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

If a Business Combination has not been consummated by February 6, 2023 (taking into account the extension as described under “Extension, Redemptions and Private Purchase” section below, the “Combination Period”), or such later time as the Company’s shareholders may approve in accordance with the Amended and Restated Memorandum and Articles of Association, it will trigger the Company’s automatic winding up, liquidation and dissolution. If the Company does not consummate a Business Combination within the Combination Period, upon notice from the Company, the trustee of the Trust Account will distribute the amount in the Trust Account to the Public Shareholders. Concurrently, the Company shall pay, or reserve for payment, from funds not held in the Trust Account, its liabilities and obligations, although the Company cannot assure that there will be sufficient funds for such purpose. If there are insufficient funds held outside the Trust Account for such purpose, the Sponsor has agreed that it will be liable to ensure that the proceeds in the Trust Account are not reduced by the claims of target businesses or claims of vendors or other entities that are owed money by the Company for services rendered or contracted for or products sold to the Company and which have not executed a waiver agreement. However, the Company cannot assure that the liquidator will not determine that he or she requires additional time to evaluate creditors’ claims (particularly if there is uncertainty over the validity or extent of the claims of any creditors). The Company also cannot assure that a creditor or shareholder will not file a petition with the Cayman Islands Court which, if successful, may result in the Company’s liquidation being subject to the supervision of that court. Such events might delay distribution of some or all of the Company’s assets to the Public Shareholders.

The Initial Shareholders have agreed to waive their liquidation rights with respect to the Insider Shares and the Private Placement Shares held by them if the Company fails to complete a Business Combination within the Combination Period. However, if the Initial Shareholders should acquire Public Shares in or after the Initial Public Offering, they will be entitled to liquidating distributions from the Trust Account with respect to such Public Shares if the Company fails to complete a Business Combination within the Combination Period. The underwriters have agreed to waive their rights to their deferred underwriting commissions held in the Trust Account in the event the Company does not complete a Business Combination within the Combination Period, and, in such event, such amounts will be included with the funds held in the Trust Account that will be available to fund the redemption of the Company’s Public Shares. In the event of such distribution, it is possible that the per ordinary share value of the residual assets remaining available for distribution (including Trust Account assets) will be only \$10.00 per ordinary share initially held in the Trust Account.

***Liquidity and Going Concern***

As of September 30, 2022, the Company had approximately \$735,000 of cash in its operating account and working capital deficit of approximately \$568,000.

Prior to the completion of the Initial Public Offering, the Company’s liquidity needs had been satisfied through the capital contribution of \$28,750 from the Sponsor to purchase the Insider Shares, and a loan of \$300,000 pursuant to the Note (as defined in Note 5) issued to the Sponsor, which was repaid in full on August 7, 2020. Subsequent to the consummation of the Initial Public Offering and the Private Placement, the Company’s liquidity needs have been satisfied with the net proceeds from the Private Placement not held in the Trust Account. In addition, in order to finance transaction costs in connection with a Business Combination, the Initial Shareholders or their affiliates may, but are not obligated to, provide the Company with Working Capital Loans (see Note 5). As of September 30, 2022 and December 31, 2021, there were no amounts outstanding under any Working Capital Loans.

Based on the foregoing, management believes that the Company will have sufficient working capital and borrowing capacity to meet its needs through the earlier of the consummation of a Business Combination or one year from this filing. Over this time period, the Company will be using these funds for paying existing accounts payable, identifying and evaluating prospective initial Business Combination candidates, performing due diligence on prospective target businesses, paying for travel expenditures, selecting the target business to merge with or acquire, and structuring, negotiating and consummating the Business Combination. Management plans to complete a business combination by the mandatory liquidation date. However, in connection with the Company’s assessment of going concern considerations in accordance with FASB Accounting Standards Update (“ASU”) 2014-15, “Disclosures of Uncertainties about an Entity’s Ability to Continue as a Going Concern,” management has determined that the mandatory liquidation and subsequent dissolution raises substantial doubt about the Company’s ability to continue as a going concern. Management intends to complete the Business Combination prior to the liquidation date. No adjustments have been made to the carrying amounts of assets or liabilities should the Company be required to liquidate after the end of the then current Combination Period. The unaudited condensed consolidated financial statements do not include any adjustment that might be necessary if the Company is unable to continue as a going concern.

**HEALTH SCIENCES ACQUISITIONS CORPORATION 2**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

***Proposed Business Combination***

On July 4, 2022, the Company entered into an agreement and plan of merger agreement (as amended on July 21, 2022, the “Merger Agreement”) with HSAC Olympus Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of the Company (“Merger Sub”), and Orchestra BioMed, Inc., a Delaware corporation (“Orchestra”). Pursuant to the terms of the Merger Agreement, a business combination between the Company and Orchestra (the “Orchestra Business Combination”) will be effected in two steps. First, before the closing of the Orchestra Business Combination, the Company will deregister in the Cayman Islands and domesticate as a Delaware corporation. Second, at the closing of the Orchestra Business Combination, Merger Sub will merge with and into Orchestra, with Orchestra surviving such merger as the surviving entity (the “Merger”). Upon consummation of the Orchestra Business Combination, Orchestra will become a wholly owned subsidiary of the Company. The Company will then change its name to “Orchestra BioMed Holdings, Inc.”. The Company, after giving effect to the Orchestra Business Combination, will be referred to as “New Orchestra”.

The Merger Agreement contains customary representations, warranties and covenants of the parties thereto. The consummation of the proposed Merger is subject to certain conditions as further described in the Merger Agreement.

Simultaneously with the execution of the Merger Agreement, the Company and Orchestra entered into separate forward purchase agreements (the “Forward Purchase Agreements”) with certain funds managed by RTW Investments, LP (the “RTW Funds”) and Covidien Group S.à.r.l., an affiliate of Medtronic plc (“Medtronic” and the RTW Funds, each a “Purchasing Party”), pursuant to which each of the Purchasing Parties agreed to purchase approximately \$10.0 million of the Company’s ordinary shares, for a total of approximately \$20.0 million, less the dollar amount of the Company’s ordinary shares holding redemption rights that the Purchasing Party acquires and holds until immediately prior to the domestication.

Simultaneously with the execution of the Merger Agreement and Forward Purchase Agreements, the Company, Orchestra, and the RTW Funds entered into a Backstop Agreement (the “Backstop Agreement”) pursuant to which the RTW Funds, jointly and severally, agreed to purchase such number of the Company’s ordinary shares at a price of \$10.00 per share to the extent that the amount of Parent Closing Cash (as defined in the Merger Agreement) as of immediately prior to the closing of the Orchestra Business Combination is less than \$60.0 million (inclusive of the \$10.0 million commitment by the RTW Funds pursuant to the Forward Purchase Agreement described above).

On October 21, 2022, the parties amended both the Backstop Agreement and the Forward Purchase Agreement to provide that (1) the per share purchase price under each of the Backstop Agreement and the Forward Purchase Agreement will not exceed the redemption price available to Public Shareholders exercising redemption rights at the shareholder meeting held to approve the Business Combination; (2) any shares purchased pursuant to the Backstop Agreement or the Forward Purchase Agreement, or otherwise acquired by the RTW Funds outside of the existing redemption offer, will not be voted in favor of approving the Business Combination; and (3) the RTW Funds will waive redemption rights with respect to such purchases in the vote to approve the Business Combination. The amendments have been filed with the SEC on a Current Report on Form 8-K on October 21, 2022.

The closing under the Forward Purchase Agreement with the RTW Funds occurred on July 22, 2022, pursuant to which the RTW Funds purchased 1,000,000 of the Company’s ordinary shares at a price of \$10.01 per share from an accredited investor in a privately negotiated transaction (see Note 5). The closing under the Forward Purchase Agreement with Medtronic and the closing under the Backstop Agreement, if any, will occur immediately prior to the domestication. The Company’s Sponsor, and the Purchasing Parties will have registration rights pursuant to the Amended and Restated Registration Rights and Lock-Up Agreement with respect to the Company’s ordinary shares, received in the domestication.

In addition, the Sponsor has agreed that 25% or 1,000,000 shares of its New Orchestra common stock received in the domestication will be forfeited to New Orchestra on the first business day following the fifth anniversary of the closing unless, as to 500,000 shares, the VWAP (as defined in the Merger Agreement) of the New Orchestra common stock is greater than or equal to \$15.00 per share over any 20 Trading Days (as defined in the Merger Agreement) within any 30-Trading Day period, and as to the remaining 500,000 shares, the VWAP of the New Orchestra common stock is greater than or equal to \$20.00 per share over any 20-Trading Days within any 30-Trading Day period. In addition, subject to the closing of the Orchestra Business Combination, the Sponsor has agreed to forfeit 50% of its Private Placement Warrants, comprising 750,000 Private Placement Warrants, for no consideration. Further, the Sponsor and the other Initial Shareholders prior to the Company’s initial public offering have agreed to subject the 4,000,000 shares of New Orchestra common stock to be received in the domestication in exchange for the 4,000,000 Insider Shares and 450,000 shares of New Orchestra common stock to be received in the domestication in exchange for the 450,000 Private Placement Shares, to a lock-up for up to 12 months.

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See the preliminary proxy statement/prospectus included in the Registration Statement on Form S-4 filed by the Company with the SEC on August 8, 2022, and any amendments thereto and the final proxy statement/prospectus that the Company may subsequently file with the SEC, for additional information.

***Extension, Redemptions and Private Purchase***

On July 26, 2022, the Company held an extraordinary general meeting of its shareholders, where the shareholders approved a special resolution (the "Extension Proposal") to amend the Company's amended and restated memorandum and articles of association to (i) extend from August 6, 2022 (the "Original Termination Date") to November 6, 2022 (the "Extended Date"), the date by which, if the Company has not consummated a merger, amalgamation, share exchange, asset acquisition, share purchase, reorganization or similar business combination involving one or more businesses or entities, the Company must liquidate and dissolve, and (ii) allow the Company, without another shareholder vote, to elect to extend the date to consummate a business combination on a monthly basis for up to three times by an additional one month each time after the Extended Date, upon five days' advance notice prior to the applicable deadlines, until February 6, 2023 or a total of up to six months after the Original Termination Date, unless the closing of the Company's initial business combination shall have occurred. On October 31, 2022, the directors of the Company elected to extend the deadline until December 6, 2022.

In connection with the vote to approve the Extension Proposal, the holders of 9,237,883 Public Shares properly exercised their right to redeem their shares for cash at a redemption price of approximately \$10.02 per share, for an aggregate redemption amount of approximately \$92.6 million. As such, approximately 57.7% of the Public Shares were redeemed and approximately 42.3% of the Public Shares remain outstanding. After the satisfaction of such redemptions, the balance in the Company's Trust Account was \$67.8 million.

On July 22, 2022, the RTW Funds purchased 1,000,000 of the Company's ordinary shares at a price of \$10.01 per share from an accredited investor in a privately negotiated transaction, in order to fulfill their obligations under the Forward Purchase Agreements and to ensure that such shares purchased were not redeemed and the amounts that would have been paid by the Company if such shares were redeemed remain in the Company's trust account at the closing of the Orchestra Business Combination.

See the preliminary proxy statement/prospectus included in the Registration Statement on Form S-4 filed by the Company with the SEC on August 8, 2022, and any amendments thereto and the final proxy statement/prospectus that the Company may subsequently file with the SEC, for additional information.

**Note 2-Summary of Significant Accounting Policies and Basis of Presentation**

***Basis of Presentation***

The accompanying unaudited condensed consolidated financial statements are presented in U.S. dollars in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and pursuant to the rules and regulations of the SEC. Accordingly, they do not include all of the information and footnotes required in the annual audited financial statements. In the opinion of management, the unaudited condensed consolidated financial statements reflect all adjustments, which include only normal recurring adjustments necessary for the fair statement of the balances and results for the periods presented. Operating results for the three and nine months ended September 30, 2022 are not necessarily indicative of the results that may be expected through December 31, 2022, or any future periods.

The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the audited financial statements and notes thereto included in the Company's Annual Report on Form 10-K filed with the SEC on March 31, 2022. The financial information as of December 31, 2021, is derived from the audited financial statements presented in the Company's Annual Report on Form 10-K for the year ended December 31, 2021, as filed with the SEC on March 31, 2022.

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***Principles of Consolidation***

The condensed consolidated financial statements of the Company include its wholly owned subsidiary in connection with the planned merger. All inter-company accounts and transactions are eliminated in consolidation.

***Emerging Growth Company***

As an emerging growth company, the Company may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

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

***Use of Estimates***

The preparation of condensed consolidated financial statements in conformity with U.S. 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 condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the condensed consolidated financial statements, which management considered in formulating its estimate, could change in the near term due to one or more future confirming events. Actual results could differ from those estimates.

***Cash and Cash Equivalents***

The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents. There were no cash equivalents as of September 30, 2022 and December 31, 2021.

***Concentration of Credit Risk***

Financial instruments that potentially subject the Company to concentration of credit risk consist of cash accounts in a financial institution which, at times, may exceed the Federal Deposit Insurance Corporation coverage limit of \$250,000 and investments held in the Trust Account. The Company has not experienced losses on these accounts, and management believes the Company is not exposed to significant risks on such accounts.

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***Cash and Investments Held in the Trust Account***

The Company's portfolio of investments held in the Trust Account has been comprised of U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act, with a maturity of 185 days or less, or investments in money market funds that invest in U.S. government securities and generally have a readily determinable fair value, or a combination thereof. When the Company's investments held in the Trust Account are comprised of U.S. government securities, the investments were classified as trading securities. When the Company's investments held in the Trust Account are comprised of money market funds, the investments were recognized at fair value. Trading securities and investments in money market funds are presented on the condensed consolidated balance sheets at fair value at the end of each reporting period. Gains and losses resulting from the change in fair value of these securities are included in interest income from investments held in Trust Account in the accompanying unaudited condensed consolidated statements of operations. The estimated fair values of investments held in the Trust Account are determined using available market information. As of September 30, 2022, only cash is held in the Trust Account.

***Fair Value of Financial Instruments***

The fair value of the Company's assets and liabilities, which qualify as financial instruments under the FASB ASC Topic 820, "Fair Value Measurements," equals or approximates the carrying amounts represented in the condensed consolidated balance sheets, primarily due to their short-term nature.

***Fair Value Measurements***

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

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

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

***Derivative Assets and Liabilities***

The Company does not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. The Company evaluates all of its financial instruments, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives, pursuant to ASC 480 and FASB ASC Topic 815, "Derivatives and Hedging" ("ASC 815"). The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period.

***Offering Costs Associated with Initial Public Offering***

The Company complies with the requirements of the ASC 340-10-S99-1 and SEC Staff Accounting Bulletin Topic 5A - "Expenses of Offering." Offering costs consist of costs incurred in connection with the formation and preparation for the Initial Public Offering. These costs, together with the underwriting discount, were charged to the carrying value of the Public Shares upon the completion of the Initial Public Offering. The Company classifies deferred underwriting commissions as non-current liabilities as their liquidation is not reasonably expected to require the use of current assets or require the creation of current liabilities.

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***Ordinary Shares Subject to Possible Redemption***

The Company accounts for its ordinary shares subject to possible redemption in accordance with the guidance in ASC Topic 480, “Distinguishing Liabilities from Equity.” Ordinary shares subject to mandatory redemption (if any) are classified as liability instruments and are measured at fair value. Conditionally redeemable ordinary shares (including ordinary shares that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company’s control) are classified as temporary equity. At all other times, ordinary shares are classified as shareholders’ equity. The Company’s Public Shares feature certain redemption rights that are considered to be outside of the Company’s control and subject to occurrence of uncertain future events. Accordingly, as of September 30, 2022 and December 31, 2021, 6,762,117 and 16,000,000 ordinary shares subject to possible redemption at the redemption amount, respectively, were presented at redemption value as temporary equity, outside of the shareholders’ deficit section of the Company’s condensed consolidated balance sheets.

Under ASC 480-10-S99, the Company has elected to recognize changes in the redemption value immediately as they occur and adjust the carrying value of the security to equal the redemption value at the end of each reporting period. This method would view the end of the reporting period as if it were also the redemption date for the security. Effective with the closing of the Initial Public Offering, the Company recognized the accretion from initial book value to redemption amount, which resulted in charges against additional paid-in capital (to the extent available) and accumulated deficit.

***Net Loss per Ordinary Share***

The Company complies with accounting and disclosure requirements of FASB ASC Topic 260, “Earnings Per Share.” Net loss per ordinary share is calculated by dividing the net loss by the weighted average number of ordinary shares outstanding for the respective period.

The calculation of diluted net loss per ordinary share does not consider the effect of the Private Placement Warrants to purchase 1,500,000 ordinary shares since their exercise is contingent upon future events and their inclusion would be anti-dilutive under the treasury stock method. As a result, diluted net loss per share is the same as basic net loss per share for the three and nine months ended September 30, 2022 and 2021. Accretion associated with the redeemable ordinary shares is excluded from earnings per share as the redemption value approximates fair value.

***Income Taxes***

ASC Topic 740, “Income Taxes”, prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. The Company’s management determined that the Cayman Islands is the Company’s only major tax jurisdiction. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. There were no unrecognized tax benefits and no amounts accrued for interest and penalties as of September 30, 2022 and December 31, 2021. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position.

There is currently no taxation imposed on income by the government of the Cayman Islands. In accordance with Cayman Islands federal income tax regulations, income taxes are not levied on the Company. Consequently, income taxes are not reflected in the Company’s condensed consolidated financial statements. The Company’s management does not expect that the total amount of unrecognized tax benefits will materially change over the next twelve months.

***Recent Accounting Pronouncements***

Management does not believe that any recently issued, but not yet effective, accounting pronouncements, if currently adopted, would have an effect on the Company’s condensed consolidated financial statements.

***Note 3-Initial Public Offering***

On August 6, 2020, the Company consummated its Initial Public Offering of 16,000,000 Public Shares, including the 2,086,956 Public Shares as a result of the underwriters’ full exercise of their over-allotment option, at an offering price of \$10.00 per Public Share, generating gross proceeds of \$160.0 million, and incurring offering costs of approximately \$9.4 million, inclusive of \$5.6 million in deferred underwriting commissions.

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**Note 4-Private Placement**

Simultaneously with the closing of the Initial Public Offering, the Company consummated the Private Placement with the Sponsor of (i) 450,000 Private Placement Shares at \$10.00 per Private Placement Share (for a total purchase price of \$4.5 million) and (ii) 1,500,000 Private Placement Warrants at a price of \$1.00 per Private Placement Warrant (for a total purchase price of \$1.5 million), generating gross proceeds to the Company of \$6.0 million.

Each Private Placement Warrant entitles the holder thereof to purchase one ordinary share at an exercise price of \$11.50 per ordinary share. A portion of the proceeds from the Private Placement was added to the proceeds from the Initial Public Offering held in the Trust Account. If the Company does not complete a Business Combination within the Combination Period, the Private Placement Warrants will expire worthless. The Private Placement Warrants will be non-redeemable and exercisable on a cashless basis so long as they are held by the Sponsor or its permitted transferees.

**Note 5-Related Party Transactions**

***Insider Shares***

On June 11, 2020, the Company issued 3,593,750 ordinary shares to the Sponsor (the "Insider Shares") for an aggregate purchase price of \$28,750. On August 3, 2020, the Company effected a share dividend of 0.113043478 ordinary shares for each outstanding ordinary share (an aggregate of 406,250 ordinary shares), resulting in an aggregate of 4,000,000 ordinary shares outstanding. All shares and associated amounts have been retroactively restated to reflect the share dividend. The holders of the Insider Shares had agreed to forfeit an aggregate of up to 521,739 Insider Shares, on a pro rata basis, to the extent that the option to purchase additional ordinary shares is not exercised in full by the underwriters. On August 6, 2020, the underwriters fully exercised the over-allotment option; thus, the 521,739 Insider Shares were no longer subject to forfeiture.

The Initial Shareholders have agreed not to transfer, assign or sell any of their Insider Shares (except to certain permitted transferees) until, with respect to 50% of the Insider Shares, the earlier of six months after the date of the consummation of the initial Business Combination and the date on which the closing price of the Company's ordinary shares equals or exceeds \$12.50 per ordinary share for any 20 trading days within a 30-trading day period following the consummation of the initial Business Combination, and, with respect to the remaining 50% of the Insider Shares, six months after the date of the consummation of the initial Business Combination, or earlier in each case if, subsequent to the initial Business Combination, the Company completes a liquidation, merger, stock exchange or other similar transaction which results in all of the shareholders having the right to exchange their ordinary shares for cash, securities or other property.

***Related Party Loans***

On June 11, 2020, the Sponsor agreed to loan the Company up to \$300,000 to be used for the payment of costs related to the Initial Public Offering pursuant to a promissory note (the "Note"). The Note was non-interest bearing, unsecured and due on the date the Company consummates the Initial Public Offering or the date on which the Company determines not to conduct the Initial Public Offering. The Company borrowed \$300,000 under the Note and repaid the Note in full on August 7, 2020. Subsequent to the repayment, the facility was no longer available to the Company.

In addition, in order to finance transaction costs in connection with a Business Combination, the Initial Shareholders or their affiliates may, but are not obligated to, loan the Company funds, from time to time or at any time, in whatever amount they deem reasonable in their sole discretion (the "Working Capital Loans"). Each loan would be evidenced by a promissory note. The notes would either be paid upon consummation of the initial Business Combination, without interest, or, at the lender's discretion, up to \$500,000 of such loans may be converted upon consummation of the Business Combination into additional private warrants at a price of \$1.00 per warrant. If the Company does not complete a Business Combination within the Combination Period, the Working Capital Loans will be repaid only from amounts remaining outside the Trust Account, if any. The warrants would be identical to the Private Placement Warrants. As of September 30, 2022 and December 31, 2021, the Company had no outstanding Working Capital Loans.

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***Administrative Services Agreement***

Commencing on the effective date of the registration statement relating to the Initial Public Offering, the Company agreed to pay the Sponsor a total of \$10,000 per month for office space and certain office and secretarial services. Upon completion of the initial Business Combination or the Company's liquidation, the Company will cease paying these monthly fees. For the three months ended September 30, 2022 and 2021, the Company incurred \$30,000 in expenses for these services. For the nine months ended September 30, 2022 and 2021, the Company incurred \$90,000 in expenses for these services. As of September 30, 2022 and December 31, 2021, \$0 and \$150,000 were due to the Sponsor and are included in accrued expenses - related party on the accompanying condensed consolidated balance sheets, respectively.

***Purchase Agreements and Backstop Agreement***

On August 3, 2020, in connection with the consummation of the Initial Public Offering, the Company entered into a purchase agreement ("FPA") with its Sponsor pursuant to which the Sponsor agreed that it will purchase an aggregate of 2,500,000 ordinary shares of the Company at a price of \$10.00 per share, for an aggregate purchase price of \$25.0 million prior to, currently with, or following the consummation of a Business Combination, either in open market transactions (to the extent permitted by law) or in a private placement with the Company. This FPA commitment has been satisfied by the RTW Funds through: (a) an investment of \$15 million in Orchestra's Series D Financing, and (b) the Forward Purchase Agreements described below.

Simultaneously with the execution of the Merger Agreement, the Company and Orchestra entered into separate Forward Purchase Agreements with the RTW Funds and Medtronic, pursuant to which each of the Purchasing Parties agreed to purchase approximately \$10.0 million of the Company's ordinary shares, for a total of approximately \$20.0 million, less the dollar amount of the Company's ordinary shares holding redemption rights that the Purchasing Party acquires and holds until immediately prior to the domestication.

Simultaneously with the execution of the Merger Agreement and Forward Purchase Agreements, the Company, Orchestra, and the RTW Funds entered into the Backstop Agreement, pursuant to which the RTW Funds, jointly and severally, agreed to purchase such number of the Company's ordinary shares at a price of \$10.00 per share to the extent that the amount of Parent Closing Cash (as defined in the Merger Agreement) as of immediately prior to the closing of the Orchestra Business Combination is less than \$60.0 million (inclusive of the \$10.0 million commitment by the RTW Funds pursuant to the Forward Purchase Agreement described above).

On October 21, 2022, the parties amended both the Backstop Agreement and the Forward Purchase Agreement to provide that: (1) the per share purchase price under each of the Backstop Agreement and the Forward Purchase Agreement will not exceed the redemption price available to Public Shareholders exercising redemption rights at the shareholder meeting held to approve the Business Combination; (2) any shares purchased pursuant to the Backstop Agreement or the Forward Purchase Agreement, or otherwise acquired by the RTW Funds outside of the existing redemption offer, will not be voted in favor of approving the Business Combination; and (3) the RTW Funds will waive redemption rights with respect to such purchases in the vote to approve the Business Combination. The amendments have been filed with the SEC on a Current Report on Form 8-K on October 21, 2022.

On July 22, 2022, the RTW Funds purchased 1,000,000 of the Company's ordinary shares at a price of \$10.01 per share from an accredited investor in a privately negotiated transaction, in order to fulfill their obligations under the Forward Purchase Agreements and to ensure that such shares purchased were not redeemed and the amounts that would have been paid by the Company if such shares were redeemed remain in the Company's trust account at the closing of the Orchestra Business Combination.

The closing under the Forward Purchase Agreement with Medtronic and the closing under the Backstop Agreement, if any, will occur immediately prior to the domestication. The Company's Sponsor, and the Purchasing Parties will have registration rights pursuant to the Amended and Restated Registration Rights and Lock-Up Agreement with respect to the Company's ordinary shares, received in the domestication.



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***Company Shareholder Support Agreement and Forfeiture***

Contemporaneously with the execution of the Merger Agreement, the Company and Orchestra entered into a support agreement (the “Parent Support Agreement”) with the Sponsor and certain of the Company’s other shareholders (each a “Shareholder”) pursuant to which the Shareholders identified therein have agreed (a) to appear at any shareholder meetings called to approve the Merger or any proposal to extend the period of time the Company is afforded under its organizational documents and its prospectus to consummate an initial business combination (an “Extension Proposal”), (b) not to redeem their shares or any other of the Company’s equity securities now or in future acquired or beneficially owned, (c) to vote such shares and equity securities (i) in favor of the domestication, the Merger and related transactions, (ii) in favor of any Extension Proposal, (iii) against any change in the Company’s business, management or board contrary to the Merger Agreement and against any other proposal reasonably expected to breach, prevent or impede the Merger, and (d) to waive anti-dilution and similar rights with respect to such shares, whether under the Company’s amended and restated memorandum and articles of association, applicable law, or a contract regarding the Merger and related transactions with the Company. In addition, the Sponsor has agreed that 25% or 1,000,000 shares of its New Orchestra common stock received in the domestication will be forfeited to New Orchestra on the first business day following the fifth anniversary of the closing of the Orchestra Business Combination unless, as to 500,000 shares, the VWAP (as defined in the Merger Agreement) of the New Orchestra common stock is greater than or equal to \$15.00 per share over any 20 Trading Days (as defined in the Merger Agreement) within any 30-Trading Day period, and as to the remaining 500,000 shares, the VWAP of the New Orchestra common stock is greater than or equal to \$20.00 per share over any 20-Trading Days within any 30-Trading Day period. Further, subject to the closing of the Orchestra Business Combination, the Sponsor has agreed to forfeit 50% of its warrants, comprising 750,000 warrants for no consideration.

**Note 6-Commitments and Contingencies**

***Registration Rights***

The holders of the Insider Shares, the Private Placement Shares, the Private Placement Warrants and warrants that may be issued upon conversion of Working Capital Loans (and any ordinary shares issuable upon the exercise of the Private Placement Warrants and warrants that may be issued upon conversion of Working Capital Loans) are entitled to registration rights pursuant to a registration rights agreement. The holders of a majority of these securities are entitled to make up to two demands that the Company registers such securities. The holders of the majority of the Insider Shares can elect to exercise these registration rights at any time commencing three months prior to the date on which these ordinary shares are to be released from escrow. The holders of a majority of the Private Placement Shares, the Private Placement Warrants or warrants that may be issued upon conversion of Working Capital Loans made to the Company can elect to exercise these registration rights at any time after the Company consummates a Business Combination. In addition, the holders have certain “piggy-back” registration rights with respect to registration statements filed subsequent to the Company’s consummation of the initial Business Combination. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

***Underwriting Agreement***

The Company granted the underwriters a 45-day option from the effective date of the registration statement relating to the Initial Public Offering to purchase up to 2,086,956 additional ordinary shares at the Initial Public Offering price less the underwriting discounts and commissions. On August 6, 2020, the underwriters fully exercised the over-allotment option.

The underwriters were entitled to an underwriting discount of \$0.20 per Public Share, or \$3.2 million in the aggregate, paid upon the closing of the Initial Public Offering. In addition, the underwriters were entitled to a deferred underwriting commission of \$0.35 per Public Share, or \$5.6 million in the aggregate. The deferred fee will become payable to the underwriters from the amounts held in the Trust Account solely in the event that the Company completes a Business Combination, subject to the terms of the underwriting agreement.

***Risks and Uncertainties***

Various social and political circumstances in the United States and around the world (including wars and other forms of conflict, including rising trade tensions between the United States and China, and other uncertainties regarding actual and potential shifts in the United States and foreign, trade, economic and other policies with other countries, terrorist acts, security operations and catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes and global health epidemics) may contribute to increased market volatility and economic uncertainties or deterioration in the United States and worldwide. Specifically, the rising conflict between Russia and Ukraine, and resulting market volatility could adversely affect the Company’s ability to complete a business combination. In response to the conflict between Russia and Ukraine, the United States and other countries have imposed sanctions or other restrictive actions against Russia. Any of the above factors, including sanctions, export controls, tariffs, trade wars and other governmental actions, could have a material adverse effect on the Company’s ability to complete a business combination and the value of the Company’s securities.

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

**Note 7-Ordinary Shares Subject to Possible Redemption**

The Company's Public Shares feature certain redemption rights that are considered to be outside of the Company's control and subject to the occurrence of future events. The Company is authorized to issue 100,000,000 ordinary shares with a par value of \$0.0001 per share. Holders of the Company's ordinary shares are entitled to one vote for each share. As of September 30, 2022 and December 31, 2021, there were 11,212,117 and 20,450,000 ordinary shares outstanding, respectively, 6,762,117 and 16,000,000 of which were subject to possible redemption, respectively, and are classified outside of permanent equity in the condensed consolidated balance sheets.

The ordinary shares subject to possible redemption reflected on the condensed consolidated balance sheets are reconciled on the following table:

Gross proceeds received from Initial Public Offering	\$ 160,000,000
Less:	
Offering costs allocated to Public Shares	(9,418,420)
Plus:	
Accretion on ordinary shares to redemption value	9,418,420
Ordinary shares subject to possible redemption as of December 31, 2021	160,000,000
Redemption of Public Shares	(92,591,090)
Increase in redemption value of ordinary shares subject to possible redemption	267,588
Ordinary shares subject to possible redemption as of September 30, 2022	<u>\$ 67,676,498</u>

**Note 8-Shareholders' Equity (Deficit)**

**Preference Shares** - The Company is authorized to issue 1,000,000 preference shares with a par value of \$0.0001 per share. As of September 30, 2022 and December 31, 2021, there are no preference shares issued or outstanding.

**Ordinary Shares** - The Company is authorized to issue 100,000,000 ordinary shares, par value \$0.0001. Holders of the Company's ordinary shares are entitled to one vote for each share. As of September 30, 2022 and December 31, 2021, there were 11,212,117 and 20,450,000 ordinary shares issued or outstanding, respectively, including 6,762,117 and 16,000,000 ordinary shares subject to possible redemption, respectively, and classified as temporary equity.

**Private Warrants** - Private Placement Warrants may only be exercised for a whole number of ordinary shares. The Private Placement Warrants will become exercisable 30 days after the completion of a Business Combination; provided in each case that the Company has an effective registration statement under the Securities Act covering the ordinary shares issuable upon exercise of the Private Placement Warrants and a current prospectus relating to them is available and such ordinary shares are registered, qualified or exempt from registration under the securities, or blue sky, laws of the state of residence of the holder (or the Company permit holders to exercise their warrants on a cashless basis under certain circumstances).

Each warrant is exercisable to purchase one of ordinary shares at an exercise price of \$11.50 per full share and will expire five years after the completion of a Business Combination or earlier upon redemption or liquidation.

**HEALTH SCIENCES ACQUISITIONS CORPORATION 2**  
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**SEPTEMBER 30, 2022**

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

**Note 9-Fair Value Measurements**

The following table presents information about the Company's financial assets that are measured at fair value on a recurring basis by level within the fair value hierarchy:

	<b>Fair Value Measured as of December 31, 2021</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Investments held in Trust Account - money market funds	\$ 160,022,447	\$ -	\$ -	\$ 160,022,447

Transfers to/from Levels 1, 2 and 3 are recognized at the end of the reporting period. There were no transfers between levels for the three and nine months ended September 30, 2022 and 2021.

Level 1 instruments include investments in money market funds that invest in U.S. Treasury securities with an original maturity of 185 days or less. The Company uses inputs such as actual trade data, quoted market prices from dealers or brokers, and other similar sources to determine the fair value of its investments. As of September 30, 2022, only cash is held in the Trust Account.

**Note 10-Subsequent Events**

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

On October 21, 2022, the parties amended both the Backstop Agreement and the Forward Purchase Agreement to provide that: (1) the per share purchase price under each of the Backstop Agreement and the Forward Purchase Agreement will not exceed the redemption price available to Public Shareholders exercising redemption rights at the shareholder meeting held to approve the Business Combination; (2) any shares purchased pursuant to the Backstop Agreement or the Forward Purchase Agreement, or otherwise acquired by the RTW Funds outside of the existing redemption offer, will not be voted in favor of approving the Business Combination; and (3) the RTW Funds will waive redemption rights with respect to such purchases in the vote to approve the Business Combination. The amendments have been filed with the SEC on a Current Report on Form 8-K on October 21, 2022.

On October 31, 2022, the directors of the Company elected to extend the deadline to consummate a business combination until December 6, 2022.

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

References to the “Company,” “Health Sciences Acquisitions Corporation 2,” “our,” “us” or “we” refer to Health Sciences Acquisitions Corporation 2. The following discussion and analysis of the Company’s financial condition and results of operations should be read in conjunction with the unaudited interim condensed consolidated financial statements and the notes thereto contained elsewhere in this report. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties.

### Cautionary Note Regarding Forward-Looking Statements

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

### Overview

We are a blank check company incorporated as a Cayman Islands exempted company on May 25, 2020. We were formed for the purpose of entering into a merger, share exchange, asset acquisition, share purchase, recapitalization, reorganization or other similar business combination with one or more target businesses (the “Business Combination”). Although there is no restriction or limitation on what industry our target operates in, it is our intention to pursue prospective targets that are focused on healthcare innovation. We are an emerging growth company and, as such, we are subject to all of the risks associated with emerging growth companies.

Our sponsor is HSAC 2 Holdings, LLC (the “Sponsor”). The registration statement for our initial public offering (the “Initial Public Offering”) was declared effective on August 3, 2020. On August 6, 2020, we consummated an Initial Public Offering of 16,000,000 ordinary shares (the “Public Shares”), including the 2,086,956 Public Shares as a result of the underwriters’ full exercise of their over-allotment option, at an offering price of \$10.00 per Public Share, generating gross proceeds of \$160.0 million, and incurring offering costs of approximately \$9.4 million, inclusive of \$5.6 million in deferred underwriting commissions.

Simultaneously with the closing of the Initial Public Offering, we consummated the private placement (the “Private Placement”) with the Sponsor of (i) 450,000 ordinary shares (the “Private Placement Shares”) at \$10.00 per Private Placement Share (for a total purchase price of \$4.5 million) and (ii) 1,500,000 warrants (the “Private Placement Warrants”) at a price of \$1.00 per Private Placement Warrant (for a total purchase price of \$1.5 million), generating gross proceeds of \$6.0 million.

Upon the closing of the Initial Public Offering and the Private Placement (including the exercise of the over-allotment option), \$160.0 million (\$10.00 per Public Share) of the net proceeds of the sale of the Public Shares in the Initial Public Offering and the Private Placement were placed in a trust account (the “Trust Account”) located in the United States with Continental Stock Transfer & Trust Company acting as trustee, and held as cash or invested only in U.S. “government securities,” within the meaning set forth in Section 2(a)(16) of the Investment Company Act, with a maturity of 185 days or less, or in money market funds meeting certain conditions under the Investment Company Act, which invest only in direct U.S. government treasury obligations, as determined by us, until the earlier of: (i) the completion of a Business Combination and (ii) the distribution of the Trust Account as described below. As of September 30, 2022, the funds are solely held in cash.

We paid a total of \$3.2 million in underwriting discounts and commissions (not including the \$5.6 million deferred underwriting commissions payable at the consummation of the initial Business Combination) and approximately \$0.6 million for other costs and expenses related to our formation and the Initial Public Offering.

We will have until February 6, 2023 (taking into account the Extension Proposal described below, the “Combination Period”), or such later time as our shareholders may approve in accordance with the Amended and Restated Memorandum and Articles of Association, to complete our initial business combination. If we do not complete a Business Combination by that date, it will trigger the Company’s automatic winding up, liquidation and dissolution and, upon notice from us, the trustee of the Trust Account will distribute the amount in the Trust Account to the Public Shareholders. Concurrently, we shall pay, or reserve for payment, from funds not held in trust, its liabilities and obligations, although we cannot assure that there will be sufficient funds for such purpose. If there are insufficient funds held outside the Trust Account for such purpose, our Sponsor has agreed that it will be liable to ensure that the proceeds in the Trust Account are not reduced by the claims of target businesses or claims of vendors or other entities that are owed money by us for services rendered or contracted for or products sold to us and which have not executed a waiver agreement. However, we cannot assure that the liquidator will not determine that he or she requires additional time to evaluate creditors’ claims (particularly if there is uncertainty over the validity or extent of the claims of any creditors). We also cannot assure that a creditor or shareholder will not file a petition with the Cayman Islands Court which, if successful, may result in the Company’s liquidation being subject to the supervision of that court. Such events might delay distribution of some or all of our assets to the Public Shareholders. The holders of the Insider Shares (as defined below) prior to the Initial Public Offering (the “Initial Shareholders”) have agreed to waive their liquidation rights with respect to the Insider Shares and the Private Placement Shares held by them if we fail to complete a Business Combination within the Combination Period. However, if the Initial Shareholders should acquire Public Shares in or after the Initial Public Offering, they will be entitled to liquidating distributions from the Trust Account with respect to such Public Shares if we fail to complete a Business Combination within the Combination Period. The underwriters have agreed to waive their rights to their deferred underwriting commissions held in the Trust Account in the event we do not complete a Business Combination within the Combination Period, and, in such event, such amounts will be included with the funds held in the Trust Account that will be available to fund the redemption of our Public Shares. In the event of such distribution, it is possible that the per ordinary share value of the residual assets remaining available for distribution (including Trust Account assets) will be only \$10.00 per ordinary share initially held in the Trust Account.

### **Proposed Business Combination**

On July 4, 2022, we entered into an agreement and plan of merger agreement (as amended on July 21, 2022, the “Merger Agreement”) with HSAC Olympus Merger Sub, Inc., a Delaware corporation and our wholly owned subsidiary (“Merger Sub”), and Orchestra BioMed, Inc., a Delaware corporation (“Orchestra”). Pursuant to the terms of the Merger Agreement, a business combination between us and Orchestra (the “Orchestra Business Combination”) will be effected in two steps. First, before the closing of the Orchestra Business Combination, we will deregister in the Cayman Islands and domesticate as a Delaware corporation. Second, at the closing of the Orchestra Business Combination, Merger Sub will merge with and into Orchestra, with Orchestra surviving such merger as the surviving entity (the “Merger”). Upon consummation of the Orchestra Business Combination, Orchestra will become our wholly owned subsidiary. We will then change our name to “Orchestra BioMed Holdings, Inc.” We refer to the Company, after giving effect to the Orchestra Business Combination, as “New Orchestra.”

The Merger Agreement contains customary representations, warranties and covenants of the parties thereto. The consummation of the proposed Merger is subject to certain conditions as further described in the Merger Agreement.

Simultaneously with the execution of the Merger Agreement, we and Orchestra entered into separate forward purchase agreements (the “Forward Purchase Agreements”) with certain funds managed by RTW Investments, LP (the “RTW Funds”) and Covidien Group S.à.r.l., an affiliate of Medtronic plc (“Medtronic” and the RTW Funds, each a “Purchasing Party”), pursuant to which each of the Purchasing Parties agreed to purchase approximately \$10.0 million of our ordinary shares, for a total of approximately \$20.0 million, less the dollar amount of our ordinary shares holding redemption rights that the Purchasing Party acquires and holds until immediately prior to the domestication.

Simultaneously with the execution of the Merger Agreement and Forward Purchase Agreements, we, Orchestra, and the RTW Funds entered into a Backstop Agreement (the “Backstop Agreement”) pursuant to which the RTW Funds, jointly and severally, agreed to purchase such number of our ordinary shares at a price of \$10.00 per share to the extent that the amount of Parent Closing Cash (as defined in the Merger Agreement) as of immediately prior to the closing of the Orchestra Business Combination is less than \$60.0 million (inclusive of the \$10.0 million commitment by the RTW Funds pursuant to the Forward Purchase Agreement described above).

On October 21, 2022, the parties amended both the Backstop Agreement and the Forward Purchase Agreement to provide that: (1) the per share purchase price under each of the Backstop Agreement and the Forward Purchase Agreement will not exceed the redemption price available to Public Shareholders exercising redemption rights at the shareholder meeting held to approve the Business Combination; (2) any shares purchased pursuant to the Backstop Agreement or the Forward Purchase Agreement, or otherwise acquired by the RTW Funds outside of the existing redemption offer, will not be voted in favor of approving the Business Combination; and (3) the RTW Funds will waive redemption rights with respect to such purchases in the vote to approve the Business Combination. The amendments have been filed with the SEC on a Current Report on Form 8-K on October 21, 2022.

The closing under the Forward Purchase Agreement with the RTW Funds occurred on July 22, 2022, pursuant to which the RTW Funds purchased 1,000,000 of our ordinary shares at a price of \$10.01 per share from an accredited investor in a privately negotiated transaction. The closing under the Forward Purchase Agreement with Medtronic and the closing under the Backstop Agreement, if any, will occur immediately prior to the domestication. Our Sponsor and the Purchasing Parties will have registration rights pursuant to the Amended and Restated Registration Rights and Lock-Up Agreement with respect to our ordinary shares received in the domestication. We refer to our ordinary shares, after giving effect to the Business Combination, as “New Orchestra Common Stock.”

In addition, the Sponsor has agreed that 25% or 1,000,000 shares of its New Orchestra Common Stock received in the domestication will be forfeited to New Orchestra on the first business day following the fifth anniversary of the closing unless, as to 500,000 shares, the VWAP (as defined in the Merger Agreement) of the New Orchestra Common Stock is greater than or equal to \$15.00 per share over any 20 Trading Days (as defined in the Merger Agreement) within any 30-Trading Day period, and as to the remaining 500,000 shares, the VWAP of the New Orchestra Common Stock is greater than or equal to \$20.00 per share over any 20-Trading Days within any 30-Trading Day period. In addition, subject to the closing of the Orchestra Business Combination, the Sponsor has agreed to forfeit 50% of its Private Placement Warrants, comprising 750,000 Private Placement Warrants, for no consideration. Further, the Sponsor and our other Initial Shareholders prior to our Initial Public Offering have agreed to subject the 4,000,000 shares of New Orchestra Common Stock to be received in the domestication in exchange for the 4,000,000 Insider Shares and 450,000 shares of New Orchestra Common Stock to be received in the domestication in exchange for the 450,000 Private Placement Shares, to a lock-up for up to 12 months.

See the preliminary proxy statement/prospectus included in the Registration Statement on Form S-4 filed by us with the SEC on August 8, 2022, and any amendments thereto and the final proxy statement/prospectus that we may subsequently file with the SEC, for additional information.

#### **Extension, Redemptions and Private Purchase**

On July 26, 2022, we held an extraordinary general meeting of our shareholders, where the shareholders approved a special resolution (the “Extension Proposal”) to amend our amended and restated memorandum and articles of association to: (i) extend from August 6, 2022 (the “Original Termination Date”) to November 6, 2022 (the “Extended Date”), the date by which, if we have not consummated a merger, amalgamation, share exchange, asset acquisition, share purchase, reorganization or similar business combination involving one or more businesses or entities, we must liquidate and dissolve, and (ii) allow us, without another shareholder vote, to elect to extend the date to consummate a business combination on a monthly basis for up to three times by an additional one month each time after the Extended Date, upon five days’ advance notice prior to the applicable deadlines, until February 6, 2023 or a total of up to six months after the Original Termination Date, unless the closing of our initial business combination shall have occurred. On October 31, 2022, our directors elected to extend the deadline until December 6, 2022.

In connection with the vote to approve the Extension Proposal, the holders of 9,237,883 Public Shares properly exercised their right to redeem their shares for cash at a redemption price of approximately \$10.02 per share, for an aggregate redemption amount of approximately \$92.6 million. As such, approximately 57.7% of the Public Shares were redeemed and approximately 42.3% of the Public Shares remain outstanding. After the satisfaction of such redemptions, the balance in our Trust Account was \$67.8 million.

On July 22, 2022, the RTW Funds purchased 1,000,000 of our ordinary shares at a price of \$10.01 per share from an accredited investor in a privately negotiated transaction, in order to fulfill their obligations under the Forward Purchase Agreements and to ensure that such shares purchased were not redeemed and the amounts that would have been paid by us if such shares were redeemed remain in our trust account at the closing of the Orchestra Business Combination.

See the preliminary proxy statement/prospectus included in the Registration Statement on Form S-4 filed by us with the SEC on August 8, 2022, and any amendments thereto and the final proxy statement/prospectus that we may subsequently file with the SEC for additional information.

### **Liquidity and Going Concern**

As of September 30, 2022, we had approximately \$735,000 of cash in our operating account and a working capital deficit of approximately \$568,000.

Prior to the completion of the Initial Public Offering, our liquidity needs had been satisfied through a payment of \$28,750 from our Sponsor to exchange for the issuance of 3,593,750 ordinary shares to the Sponsor, and a loan of \$300,000 pursuant to a promissory note originally issued to our Sponsor on June 11, 2020 (the "Note"), which was repaid in full on August 7, 2020. Subsequent to the consummation of the Initial Public Offering and the Private Placement, our liquidity needs have been satisfied with the net proceeds from the Private Placement not held in the Trust Account. In addition, in order to finance transaction costs in connection with a Business Combination, the Initial Shareholders or their affiliates may, but are not obligated to, provide us loans, from time to time or at any time, in whatever amount they deem reasonable in their sole discretion (the "Working Capital Loans"). As of September 30, 2022 and December 31, 2021, there were no amounts outstanding under any Working Capital Loans.

Based on the foregoing, management believes that we will have sufficient working capital and borrowing capacity to meet its needs through the earlier of the consummation of a Business Combination or one year from this filing. Over this time period, we will be using these funds for paying existing accounts payable, identifying and evaluating prospective initial Business Combination candidates, performing due diligence on prospective target businesses, paying for travel expenditures, selecting the target business to merge with or acquire, and structuring, negotiating and consummating the Business Combination. However, in connection with our assessment of going concern considerations in accordance with FASB Accounting Standards Update ("ASU") 2014-15, "Disclosures of Uncertainties about an Entity's Ability to Continue as a Going Concern," we have determined that the mandatory liquidation and subsequent dissolution raises substantial doubt about our ability to continue as a going concern. Management intends to complete the Business Combination prior to the liquidation date. No adjustments have been made to the carrying amounts of assets or liabilities should we be required to liquidate after February 6, 2023. The unaudited condensed consolidated financial statements do not include any adjustment that might be necessary if we are unable to continue as a going concern.

Various social and political circumstances in the United States and around the world (including wars and other forms of conflict, including rising trade tensions between the United States and China, and other uncertainties regarding actual and potential shifts in the United States and foreign, trade, economic and other policies with other countries, terrorist acts, security operations and catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes and global health epidemics), may also contribute to increased market volatility and economic uncertainties or deterioration in the United States and worldwide. Specifically, the rising conflict between Russia and Ukraine and resulting market volatility could adversely affect our ability to complete a business combination. In response to the conflict between Russia and Ukraine, the United States and other countries have imposed sanctions or other restrictive actions against Russia. Any of the above factors, including sanctions, export controls, tariffs, trade wars and other governmental actions, could have a material adverse effect on our ability to complete a business combination and the value of our securities.

Management continues to evaluate the impact of these types of risks on the industry and has concluded that while it is reasonably possible that these types of risks could have a negative effect on our financial position, results of our operations and/or search for a target company, the specific impact is not readily determinable as of the date of these unaudited condensed consolidated financial statements. The unaudited condensed consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

## **Results of Operations**

We will not be generating any operating revenues until the closing and completion of our initial Business Combination, at the earliest. We generate non-operating income in the form of interest income on investments held in the Trust Account. We are incurring expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance) and expenses related to our search for an initial Business Combination.

For the three months ended September 30, 2022, we had a net loss of approximately \$686,000, which consisted of approximately \$784,000 in general and administrative expenses and related party administrative fees of \$30,000, partially offset by approximately \$128,000 of interest income from investments held in the Trust Account.

For the three months ended September 30, 2021, we had a net loss of approximately \$90,000 which consisted of approximately \$64,000 in general and administrative expenses and \$30,000 in related party administrative fees, partially offset by approximately \$4,000 of interest income from investments held in the Trust Account.

For the nine months ended September 30, 2022, we had a net loss of approximately \$1.9 million, which consisted of approximately \$2.1 million in general and administrative expenses and related party administrative fees of \$90,000, partially offset by approximately \$345,000 of interest income from investments held in the Trust Account.

For the nine months ended September 30, 2021, we had a net loss of approximately \$291,000, which consisted of approximately \$213,000 in general and administrative expenses and \$90,000 in related party administrative fees, partially offset by approximately \$12,000 of interest income from investments held in the Trust Account.

## **Related Party Transactions**

### ***Insider Shares***

On June 11, 2020, we issued 3,593,750 ordinary shares to the Sponsor (the “Insider Shares”) for an aggregate purchase price of \$28,750. On August 3, 2020, we effected a share dividend of 0.113043478 ordinary shares for each outstanding share (an aggregate of 406,250 ordinary shares), resulting in an aggregate of 4,000,000 ordinary shares outstanding. All shares and associated amounts have been retroactively restated to reflect the share dividend. The holders of the Insider Shares had agreed to forfeit an aggregate of up to 521,739 Insider Shares, on a pro rata basis, to the extent that the option to purchase additional ordinary shares is not exercised in full by the underwriters. On August 6, 2020, the underwriters fully exercised the over-allotment option; thus, the 521,739 Insider Shares were no longer subject to forfeiture.

The Initial Shareholders have agreed not to transfer, assign or sell any of their Insider Shares (except to certain permitted transferees) until, with respect to 50% of the Insider Shares, the earlier of six months after the date of the consummation of the initial Business Combination and the date on which the closing price of our ordinary shares equals or exceeds \$12.50 per ordinary share for any 20 trading days within a 30-trading day period following the consummation of the initial Business Combination, and, with respect to the remaining 50% of the Insider Shares, six months after the date of the consummation of the initial Business Combination, or earlier in each case if, subsequent to the initial Business Combination, we complete a liquidation, merger, stock exchange or other similar transaction which results in all of the shareholders having the right to exchange their ordinary shares for cash, securities or other property.

### ***Related Party Loans***

On June 11, 2020, our Sponsor agreed to loan us up to \$300,000 to be used for the payment of costs related to the Initial Public Offering pursuant to the Note. The Note was non-interest bearing, unsecured and due on the date we consummate the Initial Public Offering. We borrowed \$300,000 under the Note and repaid the Note in full on August 7, 2020. Subsequent to the repayment, the facility was no longer available to us.

In addition, in order to finance transaction costs in connection with a Business Combination, the Initial Shareholders or their affiliates may, but are not obligated to, loan us the Working Capital Loans, from time to time or at any time, in whatever amount they deem reasonable in their sole discretion. Each loan would be evidenced by a promissory note. The notes would either be paid upon consummation of the initial Business Combination, without interest, or, at the lender’s discretion, up to \$500,000 of such loans may be converted upon consummation of the Business Combination into additional private warrants at a price of \$1.00 per warrant. If we do not complete a Business Combination within the Combination Period, the Working Capital Loans will be repaid only from amounts remaining outside the Trust Account, if any. The warrants would be identical to the Private Placement Warrants. As of September 30, 2022 and December 31, 2021, the Company had no borrowings under the Working Capital Loans.



### ***Administrative Services Agreement***

Commencing on the effective date of the registration statement relating to the Initial Public Offering, we agreed to pay the Sponsor a total of \$10,000 per month for office space and certain office and secretarial services. Upon completion of the Business Combination or our liquidation, we will cease paying these monthly fees. For the three months ended September 30, 2022 and 2021, we incurred \$30,000 in expenses for these services. For the nine months ended September 30, 2022 and 2021, we incurred \$90,000 in expenses for these services. As of September 30, 2022 and December 31, 2021, \$0 and \$150,000 were due to the Sponsor and are included in accrued expenses - related party on the accompanying condensed consolidated balance sheets, respectively.

### ***Purchase Agreements and Backstop Agreement***

On August 3, 2020, in connection with the consummation of the Initial Public Offering, we entered into a purchase agreement (“FPA”) with our Sponsor pursuant to which the Sponsor agreed that it will purchase an aggregate of 2,500,000 ordinary shares of our Company at a price of \$10.00 per share, for an aggregate purchase price of \$25.0 million prior to, currently with, or following the consummation of a Business Combination, either in open market transactions (to the extent permitted by law) or in a private placement with us. This FPA commitment has been satisfied by the RTW Funds through: (a) an investment of \$15 million in Orchestra’s Series D Financing, and (b) the Forward Purchase Agreements described below.

Simultaneously with the execution of the Merger Agreement, our Company and Orchestra entered into separate the Forward Purchase Agreements with the RTW Funds Medtronic, pursuant to which each of the Purchasing Parties agreed to purchase approximately \$10.0 million of our ordinary shares, for a total of approximately \$20.0 million, less the dollar amount of the our ordinary shares holding redemption rights that the Purchasing Party acquires and holds until immediately prior to the domestication.

Simultaneously with the execution of the Merger Agreement and Forward Purchase Agreements, our Company, Orchestra, and the RTW Funds entered into the Backstop Agreement, pursuant to which the RTW Funds, jointly and severally, agreed to purchase such number of the our ordinary shares at a price of \$10.00 per share to the extent that the amount of Parent Closing Cash (as defined in the Merger Agreement) as of immediately prior to the closing of the Orchestra Business Combination is less than \$60.0 million (inclusive of the \$10.0 million commitment by the RTW Funds pursuant to the Forward Purchase Agreement described above).

On October 21, 2022, the parties amended both the Backstop Agreement and the Forward Purchase Agreement to provide that: (1) the per share purchase price under each of the Backstop Agreement and the Forward Purchase Agreement will not exceed the redemption price available to Public Shareholders exercising redemption rights at the shareholder meeting held to approve the Business Combination; (2) any shares purchased pursuant to the Backstop Agreement or the Forward Purchase Agreement, or otherwise acquired by the RTW Funds outside of the existing redemption offer, will not be voted in favor of approving the Business Combination; and (3) the RTW Funds will waive redemption rights with respect to such purchases in the vote to approve the Business Combination. The amendments have been filed with the SEC on a Current Report on Form 8-K on October 21, 2022.

On July 22, 2022, the RTW Funds purchased 1,000,000 of the our ordinary shares at a price of \$10.01 per share from an accredited investor in a privately negotiated transaction, in order to fulfill their obligations under the Forward Purchase Agreements and to ensure that such shares purchased were not redeemed and the amounts that would have been paid by us if such shares were redeemed remain in our Trust Account at the closing of the Orchestra Business Combination.

The closing under the Forward Purchase Agreement with Medtronic and the closing under the Backstop Agreement, if any, will occur immediately prior to the domestication. Our Sponsor, and the Purchasing Parties will have registration rights pursuant to the Amended and Restated Registration Rights and Lock-Up Agreement with respect to our ordinary shares, received in the domestication.

### ***Company Shareholder Support Agreement and Forfeiture***

Contemporaneously with the execution of the Merger Agreement, we and Orchestra entered into a support agreement (the “Parent Support Agreement”) with the Sponsor and certain of our other shareholders (each a “Shareholder”) pursuant to which the Shareholders identified therein have agreed (a) to appear at any shareholder meetings called to approve the Merger or any proposal to extend the period of time we are afforded under our organizational documents and our prospectus to consummate an initial business combination (an “Extension Proposal”), (b) not to redeem their shares or any other of our equity securities now or in future acquired or beneficially owned, (c) to vote such shares and equity securities (i) in favor of the domestication, the Merger and related transactions, (ii) in favor of any Extension Proposal, (iii) against any change in our business, management or board contrary to the Merger Agreement and against any other proposal reasonably expected to breach, prevent or impede the Merger, and (d) to waive anti-dilution and similar rights with respect to such shares, whether under our amended and restated memorandum and articles of association, applicable law, or a contract regarding the Merger and related transactions with us. In addition, the Sponsor has agreed that 25% or 1,000,000 shares of its New Orchestra Common Stock received in the domestication will be forfeited to New Orchestra on the first business day following the fifth anniversary of the closing of the Orchestra Business Combination unless, as to 500,000 shares, the VWAP (as defined in the Merger Agreement) of the New Orchestra Common Stock is greater than or equal to \$15.00 per share over any 20 Trading Days (as defined in the Merger Agreement) within any 30-Trading Day period, and as to the remaining 500,000 shares, the VWAP of the New Orchestra Common Stock is greater than or equal to \$20.00 per share over any 20-Trading Days within any 30-Trading Day period. Further, subject to the closing of the Orchestra Business Combination, the Sponsor has agreed to forfeit 50% of its warrants, comprising 750,000 warrants for no consideration.

### **Contractual Obligations**

#### ***Registration Rights***

The holders of the Insider Shares, the Private Placement Shares, the Private Placement Warrants and warrants that may be issued upon conversion of Working Capital Loans (and any ordinary shares issuable upon the exercise of the Private Placement Warrants and warrants that may be issued upon conversion of Working Capital Loans) are entitled to registration rights pursuant to a registration rights agreement. The holders of a majority of these securities are entitled to make up to two demands that we register such securities. The holders of the majority of the Insider Shares can elect to exercise these registration rights at any time commencing three months prior to the date on which these ordinary shares are to be released from escrow. The holders of a majority of the Private Placement Shares, the Private Placement Warrants or warrants that may be issued upon conversion of Working Capital Loans made to us can elect to exercise these registration rights at any time after we consummate a Business Combination. In addition, the holders have certain “piggy-back” registration rights with respect to registration statements filed subsequent to our consummation of the initial Business Combination. We will bear the expenses incurred in connection with the filing of any such registration statements.

#### ***Underwriting Agreement***

We granted the underwriters a 45-day option from the effective date of the registration statement relating to the Initial Public Offering to purchase up to 2,086,956 additional ordinary shares at the Initial Public Offering price less the underwriting discounts and commissions. On August 6, 2020, the underwriters fully exercised the over-allotment option.

The underwriters were entitled to an underwriting discount of \$0.20 per share, or \$3.2 million in the aggregate, paid upon the closing of the Initial Public Offering. In addition, the underwriters will be entitled to a deferred underwriting commission of \$0.35 per share, or \$5.6 million in the aggregate since the underwriters’ over-allotment option was exercised in full. The deferred fee will become payable to the underwriters from the amounts held in the Trust Account solely in the event that we complete a Business Combination, subject to the terms of the underwriting agreement.

## **Critical Accounting Policies and Estimates**

### ***Cash and Investments Held in the Trust Account***

Our portfolio of investments held in the Trust Account has been comprised of U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act, with a maturity of 185 days or less, or investments in money market funds that invest in U.S. government securities and generally have a readily determinable fair value, or a combination thereof. When our investments held in the Trust Account were comprised of U.S. government securities, the investments are classified as trading securities. When our investments held in the Trust Account were comprised of money market funds, the investments were recognized at fair value. Trading securities and investments in money market funds are presented on the balance sheets at fair value at the end of each reporting period. Gains and losses resulting from the change in fair value of these securities are included in interest income from investments held in the Trust Account in the accompanying unaudited condensed consolidated statements of operations. The estimated fair values of investments held in the Trust Account were determined using available market information. As of September 30, 2022, only cash is held in the Trust Account.

### ***Ordinary Shares Subject to Possible Redemption***

We account for our ordinary shares subject to possible redemption in accordance with the guidance in ASC Topic 480 “Distinguishing Liabilities from Equity.” Ordinary shares subject to mandatory redemption (if any) are classified as liability instruments and are measured at fair value. Conditionally redeemable ordinary shares (including ordinary shares that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within our control) are classified as temporary equity. At all other times, ordinary shares are classified as shareholders’ equity. Our Public Shares feature certain redemption rights that are considered to be outside of our control and subject to the occurrence of uncertain future events. Accordingly, as of September 30, 2022 and December 31, 2021, 6,762,117 and 16,000,000 ordinary shares subject to possible redemption, respectively, are presented as temporary equity, outside of the shareholders’ deficit section of the accompanying condensed consolidated balance sheets.

Under ASC 480-10-S99, we have elected to recognize changes in the redemption value immediately as they occur and adjust the carrying value of the security to equal the redemption value at the end of the reporting period. This method would view the end of the reporting period as if it were also the redemption date of the security. Effective with the closing of the Initial Public Offering, we recognized the accretion from initial book value to redemption amount, which resulted in charges against additional paid-in capital (to the extent available) and accumulated deficit.

### ***Net Loss Per Ordinary Share***

We comply with accounting and disclosure requirements of FASB ASC Topic 260, “Earnings Per Share.” Net (loss) per ordinary share is calculated by dividing the net loss by the weighted average number of ordinary shares outstanding for the respective period.

The calculation of diluted net loss per ordinary share does not consider the effect of the Private Placement Warrants to purchase 1,500,000 ordinary shares since their exercise is contingent upon future events and their inclusion would be anti-dilutive under the treasury stock method. As a result, diluted net loss per share is the same as basic net loss per share for the three and nine months ended September 30, 2022 and 2021. Accretion associated with the redeemable ordinary shares is excluded from earnings per share as the redemption value approximates fair value.

### **JOBS Act**

The Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”) contains provisions that, among other things, relax certain reporting requirements for qualifying public companies. We qualify as an “emerging growth company” and under the JOBS Act are allowed to comply with new or revised accounting pronouncements based on the effective date for private (not publicly traded) companies. We are electing to delay the adoption of new or revised accounting standards, and as a result, we may not comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. As a result, the condensed consolidated financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

Additionally, we are in the process of evaluating the benefits of relying on the other reduced reporting requirements provided by the JOBS Act. Subject to certain conditions set forth in the JOBS Act, if, as an “emerging growth company,” we choose to rely on such exemptions we may not be required to, among other things, (i) provide an auditor’s attestation report on our system of internal controls over financial reporting pursuant to Section 404, (ii) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd-Frank Wall Street Reform and Consumer Protection Act, (iii) comply with any requirement that may be adopted by the PCAOB regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements (auditor discussion and analysis) and (iv) disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the CEO’s compensation to median employee compensation. These exemptions will apply for a period of five years following the completion of our Initial Public Offering or until we are no longer an “emerging growth company,” whichever is earlier.

#### **Recent Accounting Pronouncements**

Our management does not believe there are any recently issued, but not yet effective, accounting pronouncements, if currently adopted, that would have a material effect on our condensed consolidated financial statements.

#### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this item.

#### **Item 4. Controls and Procedures**

##### ***Evaluation of Disclosure Controls and Procedures***

Disclosure controls are procedures that are designed with the objective of ensuring that information required to be disclosed in our reports filed under the Exchange Act is recorded, processed, summarized, and reported within the time period specified in the SEC’s rules and forms. Disclosure controls are also designed with the objective of ensuring that such information is accumulated and communicated to our management, including the chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure. Based upon their evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were effective as of September 30, 2022.

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

##### ***Changes in internal control over financial reporting***

There was no change in our internal control over financial reporting that occurred during the fiscal quarter ended September 30, 2022 covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II - OTHER INFORMATION

### Item 1. Legal Proceedings

None.

### Item 1A. Risk Factors

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this item.

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

None.

### Item 3. Defaults Upon Senior Securities

None.

### Item 4. Mine Safety Disclosures

Not applicable.

### Item 5. Other Information

None.

### Item 6. Exhibits

Exhibit Number	Description
2.1 <sup>(1)</sup>	<a href="#">Agreement and Plan of Merger dated as of July 4, 2022 by and among Health Sciences Acquisitions Corporation 2, HSAC Olympus Merger Sub, Inc., and Orchestra BioMed, Inc..</a>
10.1 <sup>(1)</sup>	<a href="#">Forward Purchase Agreement dated as of July 4, 2022, by and among Health Sciences Acquisitions Corporation 2, Orchestra BioMed, Inc., and Covidien Group S.à.r.l..</a>
10.2 <sup>(1)</sup>	<a href="#">Forward Purchase Agreement dated as of July 4, 2022, by and among Health Sciences Acquisitions Corporation 2, Orchestra BioMed, Inc., and RTW Master Fund, Ltd., RTW Innovation Master Fund, Ltd., and RTW Venture Fund Limited.</a>
10.3 <sup>(1)</sup>	<a href="#">Backstop Agreement dated as of July 4, 2022, by and among Health Sciences Acquisitions Corporation 2, Orchestra BioMed, Inc., RTW Master Fund, Ltd., RTW Innovation Master Fund, Ltd., and RTW Venture Fund Limited.</a>
10.4 <sup>(1)</sup>	<a href="#">Parent Support Agreement dated as of July 4, 2022 by and among Health Sciences Acquisitions Corporation 2, Orchestra BioMed, Inc., HSAC 2 Holdings, LLC, Alice Lee, Stephanie A. Sirota, Pedro Granadillo, Stuart Peltz, Michael Brophy, and Carsten Boess.</a>
10.5 <sup>(1)</sup>	<a href="#">Orchestra Support Agreement dated as of July 4, 2022 by and among Health Sciences Acquisitions Corporation 2, Orchestra BioMed, Inc., and Covidien Group S.À.R.L..</a>
10.6 <sup>(1)</sup>	<a href="#">Form of Amended and Restated Registration Rights and Lock-Up Agreement.</a>
10.7 <sup>(1)</sup>	<a href="#">Form of Earnout Election Agreement.</a>

10.8 <sup>(2)</sup>	<a href="#"><u>Amendment to Forward Purchase Agreement dated as of October 21, 2022, by and among Health Sciences Acquisitions Corporation 2, Orchestra BioMed, Inc., and RTW Master Fund, Ltd., RTW Innovation Master Fund, Ltd., and RTW Venture Fund Limited.</u></a>
10.9 <sup>(2)</sup>	<a href="#"><u>Amendment to Backstop Agreement dated as of October 21, 2022, by and among Health Sciences Acquisitions Corporation 2, Orchestra BioMed, Inc., RTW Master Fund, Ltd., RTW Innovation Master Fund, Ltd., and RTW Venture Fund Limited</u></a>
31.1*	<a href="#"><u>Certification of Chief Executive Officer (Principal Executive Officer) Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
31.2*	<a href="#"><u>Certification of Chief Financial Officer (Principal Financial and Accounting Officer) Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
32.1**	<a href="#"><u>Certification of Chief Executive Officer (Principal Executive Officer) Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>
32.2**	<a href="#"><u>Certification of Chief Financial Officer (Principal Financial and Accounting Officer) Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

\* Filed herewith.

\*\* Furnished herewith. This certification is being furnished solely to accompany this report pursuant to 18 U.S.C. Section 1350, and is not being filed for purposes of Section 18 of the Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filings of the registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

(1) Filed as an exhibit to our Current Report on Form 8-K filed with the SEC on July 5, 2022.

(2) Filed as an exhibit to our Current Report on Form 8-K filed with the SEC on October 21, 2022.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: November 14, 2022

**HEALTH SCIENCES ACQUISITIONS CORPORATION**  
2

By: /s/ Roderick Wong

Name: Roderick Wong

Title: Chief Executive Officer and Chairman

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

I, Roderick Wong, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 of Health Sciences Acquisitions Corporation 2;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: November 14, 2022

By: /s/ Roderick Wong

Roderick Wong  
Chief Executive Officer  
(Principal Executive Officer)



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

I, Naveen Yalamanchi, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2022, of Health Sciences Acquisitions Corporation 2;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: November 14, 2022

By: /s/ Naveen Yalamanchi  
Naveen Yalamanchi  
Chief Financial Officer  
(Principal Financial and Accounting Officer)

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

In connection with the Quarterly Report of Health Sciences Acquisitions Corporation 2 (the "Company") on Form 10-Q for the quarter ended September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Roderick Wong, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

Date: November 14, 2022

/s/ Roderick Wong

\_\_\_\_\_  
Name: Roderick Wong

Title: Chief Executive Officer  
(Principal Executive Officer)

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

In connection with the Quarterly Report of Health Sciences Acquisitions Corporation 2 (the "Company") on Form 10-Q for the quarter ended September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Naveen Yalamanchi, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

Date: November 14, 2022

/s/ Naveen Yalamanchi

\_\_\_\_\_  
Name: Naveen Yalamanchi

Title: Chief Financial Officer

(Principal Financial and Accounting Officer)