Brigade-M3 European Acquisition Corp.

Financial Statements

For the period from April 21, 2021 (date of incorporation) to September 30, 2021

KPMG
P.O. Box 493
SIX Cricket Square
Grand Cayman KY1-1106
Cayman Islands
Telephone +1 345 949 4800
Fax +1 345 949 7164
Internet www.kpmg.ky

Independent Auditors' Report to the Directors

Opinion

We have audited the financial statements of Brigade-M3 European Acquisition Corp. (the "Company"), which comprise the statement of financial position as at 30 September 2021, the statements of comprehensive income, changes in equity and cash flows for the period from 21 April 2021 (date of incorporation) through 30 September 2021, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 September 2021, and its financial performance and its cash flows in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of preparation

We draw attention to Note 1 to the financial statements. The financial statements are prepared solely for the purpose of being included in the Prospectus for the listing of the Company on Euronext Amsterdam. As a result, the financial statements may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS; and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditors' Report to the Directors of Brigade-M3 European Acquisition Corp. (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditors' report is Tanis McDonald.

KPMG

Cayman Islands, 6 December 2021

Original has been signed by Tanis McDonald on behalf of KPMG

Brigade-M3 European Acquisition Corp.

Statement of Financial Position
September 30, 2021

	Note	30 September 2021 $
Assets		
Current assets		
Share capital receivable	6	870
Deferred offering costs		834,435
Total assets		835,305
Shareholder's equity and liabilities		
Shareholder's equity		
Issued share capital	7	870
Accumulated loss		(84,268)
Total shareholder's equity		(83,398)
Liabilities		
Current liabilities		
Due to related party of the sponsor		115,286
Accrued expenses		803,417
Total liabilities		918,703
Total shareholder's equity and liabilities		835,305

Brigade-M3 European Acquisition Corp.

Statement of Comprehensive Income

For the period from April 21, 2021 (date of incorporation) to September 30, 2021

		30 September 2021 $
Income		
Total income		-
Expenses		
Formation costs		84,268
Total expenses		84,268
Net loss for the period		(84,268)
Other comprehensive income/(loss)		-
Total comprehensive loss for the period		(84,268)
Loss per share	8	0.012

Brigade-M3 European Acquisition Corp.

Statement of Changes in Equity

For the period from April 21, 2021 (date of incorporation) to September 30, 2021

	Share capital	Result for the period	Total equity
	$	$	$
Opening balance – 21 April 2021	-	-	-
Profit (loss) for the period	-	(84,268)	(84,268)
Other comprehensive income (loss)	-	-	-
Total comprehensive income (loss) for the period	-	(84,268)	(84,268)
Transactions with shareholder's in their capacity as owners			
Issuance of sponsor shares	870	-	870
Closing balance – 30 September 2021	870	(84,268)	(83,398)

Statement of Cash Flows

The Statement of Cash Flows is prepared but not presented as the Company did not enter into any cash transactions for the period from 21 April 2021 (date of incorporation) to 30 September 2021.

1. General information

Brigade-M3 European Acquisition Corp (the "Company") is an exempted company with limited liability, incorporated under the laws of the Cayman Islands on 21 April 2021. With effect from 17 June 2021, the name of the Company was changed from Brigade European Acquisition Corp. to Brigade-M3 European Acquisition Corp . The Company is a Special Purpose Acquisition Company (a "SPAC"), formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganisation or similar business combination (a "Business Combination") with an operating company with significant operations in Europe which has positively benefited from a structural shift caused by the COVID-19 pandemic or has been negatively impacted by a temporary dislocation caused by the COVID-19 pandemic.

The Company is registered with the Registrar of Companies under incorporation number 374650 and has its registered office in Grand Cayman, Cayman Islands. Brigade SPAC Sponsor II LLC is the Company's sponsor (the "Sponsor Entity") and sole shareholder of the Company.

These Financial Statements have been prepared solely for the purpose of being included in the prospectus for the listing of the Company on Euronext Amsterdam ("Euronext") and should not be used for any other purpose. Given the purpose of these Financial Statements, these are prepared for the period since incorporation, being 21 April 2021 to 30 September 2021. They were authorised for issue by the Company's board of directors on 6 December 2021.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below.

2.1 Basis of preparation

The Financial Statements of the Company for the period from April 21, 2021 (date of incorporation) to September 30, 2021 have been prepared in accordance, and comply with, International Financial Reporting Standards ("IFRS").

The reporting period of these Financial Statements is from April 21, 2021 (date of incorporation) to September 30, 2021. The Company's statutory financial year end is 31 December. Its first statutory financial period is from 21 April 2021 to 31 December 2021.

No statement of cash flows is presented or provided as the Company did not have any cash transactions impacting this statements.

The preparation of these Financial Statements in conformity with IFRS may require the use of certain critical accounting estimates, judgements and assumptions that may affect the reported amounts of assets and liabilities. It may also require management to exercise its judgment in the process of applying the Company's accounting policies. No areas were identified where assumptions and estimates are significant to these Financial Statements.

2. Summary of significant accounting policies (continued)

2.2 Basis of measurement

The Financial Statements have been prepared on the historical cost basis, except where otherwise noted.

2.3 Going concern

The Financial Statements have been prepared on a going concern basis. The Company is not presently engaged in any activities other than that which is required to implement an offering on the Euronext Amsterdam stock exchange. Following the offering and prior to the completion of any Business Combination, the Company will not engage in any operations, other than in connection with the selection, structuring and completion of a Business Combination.

The Company will have 18 months from 14 December 2021 ("Settlement Date") to complete a Business Combination (the "Business Combination Deadline"). The costs related to the Company are expected to be covered by the proceeds of the issuance of the sponsor warrants as part of the offering process, as disclosed in note 12.
The Sponsor Entity or its affiliates may fund any excess costs through the issuance of debt instruments to the Company, such as promissory notes, and up to $1,500,000 of such debt instruments may be converted into additional sponsor warrants at a price of $1.00 per sponsor warrant at the option of the Sponsor Entity.

If the Company has not completed a Business Combination by such time, it will: (i) cease all operations except for the purpose of winding up; (ii) as promptly as reasonably possible redeem the Units and Ordinary Shares; and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the remaining shareholders and the directors, liquidate and dissolve, subject in each case to the Company's obligations under Cayman Islands law to provide for claims of creditors and the requirements of other applicable law.

2.4 Functional and presentation currency

The Financial Statements are presented in US Dollars ("USD" or "$"), which is the Company's functional currency.

(i) Functional currency

Functional currency is the currency of the primary economic environment in which the Company operates. The majority of the Company's transactions are denominated in USD. The majority of expenses are denominated and paid in USD. While shares were originally issued in EUR, they were changed to USD subsequent to year end (see Note 12). At 30 September 2021, the intention of the Company is for shares to be issued in USD. Accordingly, management has determined that the functional currency of the Company is USD.

2. Summary of significant accounting policies (continued)

2.4 Functional and presentation currency (continued)

(ii) Transactions and balances

Transactions in foreign currencies are translated into USD at the exchange rate at the dates of the transactions. Foreign currency assets and liabilities are translated into USD using the exchange rate prevailing at the reporting date.

Foreign exchange gains and losses arising from translation, if any, are included in the statement of comprehensive income.

2.5 Share capital receivable

Share capital receivable relates to an amount due from the shareholder for the equity contribution. As collection is expected in one year or less, they are classified as current assets.

Share capital receivable are recognised initially at their transaction price, the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less any loss allowance.

2.6 Accounts payable and accrued liabilities

These amounts represent liabilities for services provided to the Company prior to the end of the financial period, which are unpaid. Accounts payable and accrued liabilities are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value. The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price. Subsequent measurement is at amortised cost using the effective interest method.

2. Summary of significant accounting policies (continued)

2.7 Use of judgements and estimates

In preparing these Financial Statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 2.10 – Deferred offering costs

2.8 Financial instruments

(i) Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. Any gains and losses arising from changes in fair value of the financial assets or financial liabilities at fair value through profit or loss ("FVTPL") are recorded in the statement of comprehensive income.

Financial assets and financial liabilities are measured initially at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

Financial assets
On initial recognition, the Company classifies financial assets as measured at amortised cost or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- Its contractual terms give rise on the specified dates to cash flows that are solely payments of principal and interest.

2. Summary of significant accounting policies (continued)

2.8 Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets (continued)
All financial assets not classified as measured at amortised cost as described above are measured at FVTPL.

Financial assets measured at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets measured at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest income and foreign exchange gains and losses, are recognised in profit or loss.

Financial liabilities
Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains or losses, including any interest, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Amortised cost

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

2. Summary of significant accounting policies (continued)

2.8 Financial instruments (continued)

(iv) Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost. The Company recognises a loss allowance for such losses at each reporting date.

The measurement of expected credit losses reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

- The time value of money; and

- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(vi) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is profit or loss.

2.9 Income taxes

There are no taxes on income or gains in the Cayman Islands and the Company has received an undertaking from the Governor in Cabinet of the Cayman Islands exempting it from all local taxation on future profits, income or gains until 23 April 2041. Accordingly, no provision for Cayman Islands taxes is included in the Company's Financial Statements.

2. Summary of significant accounting policies (continued)

2.10 Deferred offering costs

Deferred offering costs consist of costs that are directly related to the offering and share issuance. These costs will be charged to the applicable financial instrument using a reasonable allocation methodology, whether to shareholder's equity or financial liability, upon issuance of the associated financial instruments. If the associated financial instrument is a financial liability carried at amortised cost, the transaction costs will be capitalised. If the financial liability is subsequently carried at FVTPL, transaction costs are expensed. If the offering is not completed, the costs will be charged to profit/(loss) in the statement of comprehensive income.

3. Financial risk management

The Company is not an operating company and has no business activities at date of the Financial Statements. As such there is minimal credit, liquidity and market risk exposure.

Liquidity risk is the risk that Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Company's obligations are expected to be covered by the proceeds of the issuance of the sponsor warrants as part of the offering process.

4. Capital management

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain the Company's capital structure, the Company may issue new shares or debt.

5. Fair value measurement

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

The determination of what constitutes "observable" requires significant judgment by management. Fair values of financial assets and liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. A market is regarded as "active" if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an on-going basis.

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Company recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

The Company has no financial assets and liabilities measured in line with IFRS 9 for instruments classified as fair value through profit or loss as at 30 September 2021.

6. Share capital receivable

Share capital receivable relates to a receivable from the shareholder for its equity contribution. At 30 September 2021, the subscription receivable carrying amount approximates fair value due to the short-term nature of the asset.

7. Shareholder's equity

Share capital

The authorised share capital of the Company at 30 September 2021 is €53,000 divided into 250,000,000 ordinary shares of a par value of €0.0001 each, 30,000,000 sponsor shares of a par value of €0.0001 each and 250,000,000 unit shares of a par value of €0.0001.

On 21 April 2021, the single sponsor share issued on incorporation was surrendered for no consideration and cancelled. On 13 May 2021, the Company issued 7,187,500 sponsor shares of €0.0001 ("Euro Sponsor Shares") to the Sponsor Entity at their par value.

The Sponsor Shares shall automatically convert into ordinary shares on a 1-for-1 basis based on the number of ordinary shares and Sponsor Shares issued upon completion of the offering, subject to the satisfaction of certain performance-related conditions.

The rights attaching to all shares shall rank pari passu in all respects, and the unit shares, ordinary shares and Sponsor Shares shall vote together as a single class on all matters with the exception that the holder of a Sponsor Share shall have conversion rights as outlined above.

No unit shares or ordinary shares have been issued or are outstanding at 30 September 2021.

8. Loss per share

8.1 Basic loss per share

	30 September 2021 $
Numerator	
Net loss for the period and earnings used in basic loss per share	(84,268)
Total loss for the period used in basic loss per share	(84,268)
Denominator	
Weighted average number of shares used in basic loss per share	7,187,500
Total weighted average number of shares used in basic loss per share	7,187,500

8.2 Diluted loss per share

The Company has reviewed the dilution factors and concluded that there are no instruments that have dilutive potential as at 30 September 2021. As a result, diluted loss per share is deemed to be the same as basic loss per share as at 30 September 2021 (see note 8.1).

9. Number of employees

The Company has no employees at 30 September 2021.

10. Contingencies and commitments

The underwriter has agreed to defer part of its underwriting commission, amounting to 4.5% of the aggregate gross proceeds of the offering and 5.5% of the aggregate gross proceeds from any over-allotment units. This deferred underwriting commission will become payable to the underwriter from the amounts held in the escrow account solely in the event that the Company completes a business combination, subject to the terms of the underwriting agreement.

11. Related party transactions

All legal entities that can be controlled, jointly controlled or significantly influenced by the Company are considered to be a related party. Also, entities which can control, jointly control or significantly influence the Company are considered a related party. In addition, statutory and supervisory directors and close relatives are regarded as related parties.

Other than the issuance of the Euro Sponsor Shares to the Sponsor Entity, the Company has a payable to an affiliate of the Sponsor Entity for $115,286 related to expenses paid on behalf of the Company. Related party transactions after the date of these Financial Statements are disclosed in note 12.

12. Subsequent events

The Company has evaluated the effect of all subsequent events and notes the following.

On 2 December 2021, the Company repurchased the Euro Sponsor Shares from the Sponsor Entity, which were cancelled and applied the consideration towards the payment up of 7,187,500 sponsor shares at par value of $0.0001 and issued such sponsor shares to the Sponsor Entity.

On 6 December 2021, the Sponsor Entity subscribed for 28,750,000 ordinary shares, 14,375,000 warrants and 3,750,000 of the units for the over-allotment option (collectively the "Subscription") at their respective par values. The Subscription of the ordinary shares and units was then redeemed by the Company for the same par values. The Subscription of the warrants will, on the Settlement Date, be redeemed by the Company for the same par values. After completion of these transactions the Company will hold 28,750,000 ordinary shares and 14,375,000 warrants in treasury to effect the redemption of units, and 3,750,000 over-allotment units in treasury to effect the over-allotment option should it be exercised.

On 6 December 2021, the Company has entered into a forward purchase agreement with Brigade-M3 European FPA LP, an affiliate of the Sponsor Entity (the "Forward Purchase Affiliate"), wherein the Forward Purchase Affiliate has agreed to purchase, at the Company's election, subject to certain conditions, a maximum of 2,500,000 new ordinary shares for an aggregate subscription price of up to $25,000,000 in a private placement to occur immediately prior to the closing of the business combination.

Finally on 6 December 2021, the Sponsor Entity entered into an agreement to purchase 10,850,000 sponsor warrants (or up to 11,600,000 sponsor warrants if the over-allotment option is exercised in full) at a price of $1.00 per sponsor warrant; the proceeds of which will be used as follows: $10,850,000 (or $11,600,000 if the over-allotment option is exercised in full) will be held in the escrow account of the Company to cover underwriting commissions. Each of the sponsor warrants are exercisable 30 days after completion of the Business Combination. Each sponsor warrant entitles the warrant holder to exercise a warrant into an ordinary share at a strike price of $11.50.