Brigade-M3 European Acquisition Corp.

Financial statements

For the period from 21 April 2021 (date of incorporation) to 31 December 2021
with report of independent auditors

DIRECTORS' REPORT

Introduction

Brigade-M3 European Acquisition Corp. (the "**Company**") is a blank cheque company incorporated under the laws of the Cayman Islands as an exempted company with limited liability formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganisation or similar 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, which is referred to herein as a business combination ("**Business Combination**").

The Company was formed by Brigade SPAC Sponsor II LLC (the "**Sponsor Entity**"). The Sponsor Entity is controlled by Brigade Capital GP, LLC, which is an affiliate of Brigade Capital Management, LP, together with the group entities that are affiliated with it by way of common control ("**Brigade**"). M3 Euro SPAC Sponsor I, LP ("**M3**") is the strategic partner to the Sponsor Entity.

This Annual Report covers the period 21 April 2021 (the date of incorporation of the Company) to 31 December 2021 (the "**Audit Period**")

Business and Financial Developments

The Company appointed: (i) Cantor-Aurel and Cantor Fitzgerald Europe ("**Cantor**") as joint global coordinators (collectively, the "**Joint Global Coordinators**"); (ii) Cantor-Aurel as sole bookrunner; (iii) Brigade Capital UK LLP (the "**Financial Adviser**" or "**Brigade UK**"), an affiliate of the Sponsor Entity, as the financial adviser; (iv) ABN AMRO Bank N.V. as the listing and paying agent, and the warrant agent; and (v) HSBC Bank plc (the "**Escrow Agent**") as escrow agent, in each case, in connection with the Offering (as defined below) and admission to listing and trading on Euronext Amsterdam of the Units, Ordinary Shares and Warrants ("**Admission**").

On 8 December 2021, the Company offered by way of private placement 25,000,000 units (the "**Units**"), each consisting of one ordinary share (an "**Ordinary Share**") and one-half (1/2) of a warrant (a "**Warrant**"), at a price of $10.00 per Unit (the "**Offering**"). The Offering ended on 10 December 2021, raising proceeds of $250,000,000, and the Units, Ordinary Shares and Warrants were admitted to listing on Euronext Amsterdam on 10 December 2021.

The Company has 18 months from 14 December 2021 (the "**Settlement Date**") to complete a Business Combination (the "**Business Combination Deadline**").

The Company holds the proceeds of the IPO in an escrow account administered by the Escrow Agent (the "**Escrow Account**"). As of 31 December 2021, the amount held in the Escrow Account was $255,000,001.

More information about the Company, including the Company's Initial Public Offering ("**IPO**") Prospectus dated 8 December 2021 (the "**Prospectus**"), which was approved by the Dutch Authority for the Financial Markets (AFM), can be found on the Company's website – www.BrigadeM3EAC.com

The Company is actively seeking to complete a Business Combination prior to the Business Combination Deadline.

Financial summary as at 31 December 2021:

- Escrow Account balance: $255,000,001
- Bank account balance: $915,515
- Shareholder's equity: $3,492,709
- Unit Price: $9.85 (closing price)[1]

The Company did not generate any revenues in the Audit Period. However, the Company did generate unrealized capital gains in the Audit Period attributable to the fair value recognition of the forward derivative agreement and the warrant liabilities. The expenses incurred by the Company in the Audit Period include, amongst others, the Share based payment expense, the IPO costs (including underwriter fees), legal costs, corporate services, accounting and tax advisory costs, and other operating expenses. This has resulted in a gain of $1,276,339 during the Audit Period.

Background and Strategy

The Company was formed for the purpose of effecting 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 will focus primarily on identifying attractive acquisition candidates with strong business fundamentals under normalised circumstances. The Company also anticipates that these target companies will have established a viable ESG plan for their future or recognised the potential associated with establishing such an ESG plan, which will help drive incremental future growth and expansion as investors and customers are demonstrating an increasing focus on sustainability as a key requirement for investment or purchases. Accordingly, the search for Business Combination targets may extend across a wide range of industry sectors and geographies in which the Company believes that it can create shareholder value. The Directors believe that their and Brigade's investment and operating expertise across multiple industry verticals and across companies in all stages of their corporate evolution will give the Company a large, addressable universe of potential targets in order to enable it to maximise its chances of completing a Business Combination in a timely manner and to maximise shareholder returns following such a Business Combination.

The Directors believe that the experience, capabilities, relationships and track record of the Directors, Brigade and M3 will be instrumental in identifying compelling targets, making the Company an attractive partner for potential target businesses, enhancing the Company's ability to complete a successful Business Combination and, thereafter, improving the performance of the post-Business Combination company in order to create value for investors.

Notice of any Business Combination EGM, shareholder circular and/or prospectus (as applicable) and any other meeting documents relating to a proposed Business Combination will be published on the Company's website (www.BrigadeM3EAC.com) no later than 21 calendar days prior to the date of the Business Combination EGM.

[1] Trading on an "as-if-and-when-issued/delivered" basis on Euronext Amsterdam in the Units commenced on 10 December 2021 (the "**First Trading Date**"). The Ordinary Shares and the Warrants can be traded separately on Euronext Amsterdam only from the 37th calendar day after the First Trading Date.

Business Outlook

Following the Company's IPO, the Company has commenced its search for a proposed Business Combination with a target company, to be completed within 18 months of the Company's IPO closing on 14 December 2021.

Director Information

The Company was incorporated on 21 April 2021 as an exempted company with limited liability under the laws of the Cayman Islands with registered number 374650.

The Company is subject to the relevant provisions of Cayman Islands law as well as its Memorandum and Articles of Association. Additionally, the Company voluntarily applies certain principles from the Dutch Corporate Governance Code (the "**DCGC**").

As at the date of this Annual Report, the directors of the Company (the "**Directors**" and, together, the "**Board**"): are:

Name	Position
Vijay Rajguru	Executive Director and chairperson of the Board
Rosalia Portela	Executive Director
Steven P. Vincent	Non-Executive Director
Carlos Sagasta	Independent Non-Executive Director
Stephan Walz	Independent Non-Executive Director
Brenda Rennick	Independent Non-Executive Director

Further details on the directors, including their respective management experience and expertise, their powers, responsibilities and functioning, and their mandatory disclosure obligations are set out in the Prospectus.

Interests of the Directors

As at the date of this Annual Report, the interests in the capital instruments of the Company of the Directors remain as disclosed in the Prospectus.

Powers, Responsibilities and Functioning

Pursuant to the Articles of Association, the Directors are granted broad authority to manage the Company's business and may exercise all powers in such respect. The Executive Directors manage the Company's day-to-day business and operations and implement its strategy. The Non-Executive Directors focus on policy and supervising the performance of the duties of all Directors and the general state of affairs of the Company. The Directors may take actions by unanimous written resolution or by a majority vote at a Board meeting.

Corporate Governance

As a company incorporated under the laws of the Cayman Islands, there is no statutory corporate governance code applicable to the Company. The laws of the Cayman Islands do however provide that proper corporate governance has to be maintained. Notwithstanding there being no statutory corporate governance code applicable to the Company, the Company has implemented a corporate governance framework consisting of (i) a Board the majority of which consists of directors who, in the Company's estimate, would qualify as independent within the meaning of best practice provision 2.1.8 of the DCGC, were it to apply to the Company, (ii) an Audit Committee and (iii) corporate governance policies, including a Code of Ethics, Diversity Policy, Insider Trading Policy and Corporate Governance Guidelines, each as defined below and each of which can be viewed on the Company's website (www.BrigadeM3EAC.com).

Audit Committee

The Board has appointed from among its Directors an Audit Committee. The Audit Committee consists of Ms. Rennick as chairperson and Mr. Rajguru. The organisation, rules, decision-making and other internal matters of the Audit Committee have been adopted by the Board and are set out in the Company's Audit Committee Charter, available on the Company's website (www.BrigadeM3EAC.com).

Code of Ethics

The Company has adopted a code of ethics (the "**Code of Ethics**") requiring it to avoid, wherever possible, all conflicts of interest, except under guidelines or resolutions approved by the Board (or the Audit Committee, where applicable). Under the Code of Ethics, conflict of interest situations will include any financial transaction, arrangement or relationship (including any indebtedness or guarantee of indebtedness) involving the Company. In addition, the Audit Committee, pursuant to the terms of reference of the Audit Committee, will be responsible for reviewing and approving related party transactions to the extent that the Company enters into such transactions. The Company's Code of Ethics is available on the Company's website (www.BrigadeM3EAC.com).

Insider Trading Policy

The Company has adopted an insider trading policy (the "**Insider Trading Policy**") setting out, *inter alia*, prohibitions on directly or indirectly conducting or recommending transactions in Company securities while in the possession of inside information. The Company's Insider Trading Policy is available on the Company's website (www.BrigadeM3EAC.com).

Corporate Governance Guidelines

The Company has adopted corporate governance guidelines (the "**Corporate Governance Guidelines**") relating to, *inter alia*, (i) board composition and director qualifications; (ii) the Board's responsibilities; (iii) the Board's meetings and related procedures; (iv) director communications, compensation, orientation and continuing education; (v) leadership development; (vi) the Board's annual performance evaluation; and (vii) means of communicating with the Board. The Company's Corporate Governance Guidelines are available on the Company's website (www.BrigadeM3EAC.com).

Corporate Social Responsibility

The Directors believe that businesses which have established a viable environmental, social and governance ("**ESG**") plan for their future, or that recognise the potential associated with establishing such an ESG plan will experience enhanced expansion relative to those without such a commitment or opportunity for the foreseeable future, and the Directors therefore are also focused on ensuring that the target company meets these criteria. As a consequence, the Company takes into account sustainability and corporate social responsibility factors when evaluating potential target businesses. The factors that will be evaluated relating to the sustainability of the business and opportunity for enhancing such sustainability include: the practices, products and services of the business; the production methods for the products and services, including their relationship to a low-carbon, prosperous, equitable, healthy and safe society; the nature of revenue and the likelihood that current earnings are "borrowing" from future earnings; and overall contribution to equality and long-term benefit to society.

Anti-corruption and Human Rights

The Company complies with the anti-corruption and human rights laws of the countries in which it does business. The Directors shall not take or cause to be taken any action that would reasonably result in the Company not complying with such anti-corruption and/or human rights laws. The Directors are responsible for ensuring that any agents appointed on the Company's behalf are reputable and uphold the Company's standards in this area.

Risks and Risk Management

Risks

The Company is exposed to certain risk factors and events that may or may not occur. A summary of certain risks is set out in the table below and should be read in conjunction with Part II of the Company's Prospectus (available on the Company's website: www.BrigadeM3EAC.com), which discloses what the Directors believe are the most material risks concerning the Company's business, the Units, the Ordinary Shares and the Warrants, although they may not be the only risks and uncertainties. Additional risks not known to the Company, or currently believed not to be material, could later turn out to have a material impact on the Company.

Risk category	Risk description	Potential impact
Strategic	The Company may face significant competition for Business Combination opportunities	Medium
Strategic	There is no assurance that the Company will identify suitable Business Combination opportunities by the Business Combination Deadline	Medium
Strategic	The ability of the Company to negotiate a Business Combination on favorable terms could be affected by the limited time to complete the Business Combination	Medium

Risk category	Risk description	Potential impact
Financial	The Company will be constrained by the potential need to finance redemptions of Ordinary Shares in connection with a Business Combination	Medium
Financial	The Company may need to arrange third-party financing and there can be no assurance that it will be able to obtain such financing, which could compel the Company to restructure or abandon a particular proposed Business Combination	Medium
Financial	If the Company's working capital is insufficient to allow the Company to operate until the Business Combination Deadline, it could limit the amount available to fund the Company's search for a target business and the Company may be unable to complete a Business Combination	Medium
Operational	The Company's success is dependent upon the Directors, Brigade and/or M3 to identify and execute a Business Combination and the departure of key individuals could adversely affect the Company group of individuals and other key personnel	Medium
Operational	The Company's search for a target business may be materially adversely affected by the coronavirus (COVID-19) pandemic as well as other adverse global health events	Medium
Operational	The Company's search for a target business may be materially adversely affected by macroeconomic events as well as other adverse conditions on the public financial markets	Medium
Operational	Harm to the reputation of the Company, the Sponsor (or any of its affiliates) or the Directors may materially adversely affect the Company	Medium

Risk Management

The Board is ultimately responsible for maintaining effective risk management, which includes the Company's risk governance structure, the Company's system of internal controls and the Company's audit approach.

The Company has in place a risk management and internal control system in relation to its financial reporting process and the process of preparing the financial statements. The Board reviews the effectiveness of the system of internal financial, operational and compliance controls and the risk management. The Board examines whether the system of internal controls operated effectively throughout the year (taking into account that due to the size of the Company and its limited operations, segregation of duties is generally limited) and will make recommendations when appropriate.

The Board is of the opinion that, to the best of its knowledge:

- no deficiencies in the effectiveness of the internal risk and control systems have been identified;
- the internal risk management and control systems of the Company provide reasonable assurance that the financial reporting as included in the financial statements do not contain any material inaccuracies;

- there is a reasonable expectation that the Company will be able to continue its operations and meet its liabilities as set out in the Prospectus, therefore, it is appropriate to adopt the going concern basis in preparing the financial reporting. This opinion is based on the fact that the Board remains focused on completing a Business Combination by the Business Combination Deadline; however, given the time remaining to this deadline, the mandatory liquidation and subsequent dissolution requirement, forming this opinion involves significant judgement, including that there remain no material uncertainties related to identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. In addition, such opinion is not dependent on the Company completing a Business Combination by the Business Combination Deadline.

As set out in the Prospectus, the Company is established for a period of 18 months. No matter how comprehensive a risk management and control system may be, it cannot be assumed to be exhaustive, nor can it provide certainty that it will prevent negative developments from occurring in the Company's business and business environment or that response to risk will be fully effective. The Company's risk management framework is designed to avoid or mitigate rather than to eliminate the risks associated with the accomplishment of the Company's strategic objectives. It provides reasonable assurance but not absolute assurance against material misstatement or loss. In the Audit Period, the Company has not identified any major failings in its internal risk management and control system.

External Auditor

The Company's external auditor, KPMG (the "Auditor"), reports to the Audit Committee on the actions taken to comply with professional and regulatory requirements and with best practice designed to ensure its independence. The performance of the Auditor is reviewed by the Audit Committee on an annual basis through an assessment of the services provided against the agreed audit plan. Following this review, the Audit Committee is satisfied that the external audit process operates effectively.

2021 Financial Statements

The Directors have reviewed and discussed the 2021 annual report and financial statements. The 2021 financial statements, as prepared by MaplesFS Limited, have been audited by KPMG, whose auditor's report is included in this Annual Report, and were extensively discussed by the Audit Committee and the Board.

The Directors believe the 2021 financial statements of the Company meet all requirements for correctness and transparency. The Board will present the financial statements for 2021 and its report at the Annual General Meeting of Shareholders. The Directors recommend that the Annual General Meeting of Shareholders adopt the 2021 Financial Statements and discharge the Directors from liability for their management and supervision in the year under review.

On behalf of the Directors

23 June 2022

Vijay Rajguru
Chairman

NON-EXECUTIVE DIRECTORS' REPORT

The Non-Executive Directors focus on policy and supervising the performance of the duties of all Directors and the general state of affairs of the Company. As at the date of this Annual Report, the Company's Non-Executive Directors are as listed below:

Name	Position
Steven P. Vincent	Non-Executive Director
Carlos Sagasta	Independent Non-Executive Director
Stephan Walz	Independent Non-Executive Director
Brenda Rennick	Independent Non-Executive Director

The Non-Executive Directors provide, *inter alia*, a supervisory and oversight function to the Company in relation to its search for a Business Combination and to ensure that any decisions that are reached align with the Company's strategy.

The Non-Executive Directors are aware of the Company's strategic, financial, operational, legal and compliance risks, the internal control and management systems in place, and of the actions taken to manage the risks.

REMUNERATION REPORT

The Directors do not receive any fixed or variable remuneration. As compensation for their services, the Sponsor has assigned Sponsor Shares to each of the Directors (other than to Steven P. Vincent who does not receive any compensation) at the nominal value of $0.0001 per Sponsor Share:

Name	Position	Founder Shares
Vijay Rajguru	Executive Director and chairperson of the Board	25,000
Rosalia Portela	Executive Director	20,000
Steven P. Vincent	Non-Executive Director	0
Carlos Sagasta	Independent Non-Executive Director	20,000
Stephan Walz	Independent Non-Executive Director	20,000
Brenda Rennick	Independent Non-Executive Director	20,000

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report. The Annual Report comprises the Directors' Report, the Financial Statements and some other information. The Directors are responsible for preparing the Annual Report in accordance with applicable law and regulations. The Directors are required by law to prepare the Annual Report for each financial year. The Directors have prepared the Annual Report in accordance with International Financial Reporting Standards ("IFRS"). The Directors must not approve the Annual Report unless they are satisfied that it gives a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the Annual Report, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRS have been followed, subject to any material departures disclosed and explained in the Annual Report; and
- prepare the Annual Report on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose, with reasonable accuracy at any time, the financial position of the Company and enable them to ensure that the Annual Report complies with applicable law. The Directors have assessed the effectiveness of the Company's internal risk management and control systems. Though such systems are designed to manage and control risks, they can provide reasonable, but not absolute, assurance against material misstatements. Based on this assessment, to the best of our knowledge and belief, no material failings of the effectiveness of the Company's internal risk management and control systems occurred and the internal risk and control systems provides reasonable assurance that the 2021 financial statements do not contain any errors of material importance.

Each of the Directors confirm that to the best of their knowledge:

- the Company's financial statements, which have been prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- the Directors' Report gives a true and fair view on the situation on the balance sheet date, the development and performance of the business and the position of the Company of which the financial information is included in the Directors' Report and includes a description of the principal risks that the Company faces; and
- having taken all matters considered by the Board and brought to the attention of the Board during the financial year into account, the Directors consider that the Annual Report, taken as a whole is fair, balanced and understandable. The Directors believe that the disclosures set out in the Annual Report provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

The Directors have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors consider it appropriate to adopt the going-concern basis in preparing the Annual Report.
On behalf of the Company

23 June 2022

Vijay Rajguru
Chairman

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Independent Auditors' Report

To the Board of Directors and Shareholders of Brigade-M3 European Acquisition Corp.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Brigade-M3 European Acquisition Corp. (the "Company"), which comprise the statement of financial position as at 31 December 2021, the statements of comprehensive income, changes in equity and cash flows for the period from 21 April 2021 (date of incorporation) through 31 December 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 31 December 2021, and of its financial performance and its cash flows for the period then ended 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 Accountant's 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Report on the Audit of the Financial Statements (continued)

Valuation of level 3 financial instruments

Refer to page 26 (accounting policy) and pages 34 to 37 (financial disclosures)

Description of key audit matter	***How the matter was addressed in our audit***

Approximately 0.7% of the Company's total assets and 7.0% of the Company's total liabilities are financial instruments valued using valuation techniques that utilise inputs that are unobservable in the market (i.e. level 3 instruments).
 	
The forward derivative agreement is a financial asset that is measured at fair value by determining the NPV of the forward commitment and application of a DLOM to a Monte Carlo simulated ordinary share price.
 	
Public warrant liabilities (included in Units) and Sponsor warrant liabilities are derivative liabilities that are measured at fair value, which is established by using valuation models such as the Black-Scholes Model and a Monte Carlo simulation that include assumptions and inputs that are unobservable.
 	
There is a significant risk of error relating to the valuation of these financial instruments given the judgmental nature of the matters that require consideration by management and those charged with governance.
	The procedures we undertook included:
	
	• Documenting and assessing the design and implementation of the valuation processes and controls in place;
	
	• Challenging management and their valuation specialist on key judgments. In particular, we:
	
	    • Challenged the appropriateness of the valuation technique selected as well as the underlying assumptions, such as volatility and time to business combination; and
	
	    • Compared key underlying financial data inputs to external sources, such as peer group comparisons and marketplace transaction timelines.
	
	We used the work undertaken by our own valuation specialist to assist with the above procedures.
	
	In addition, we also considered the appropriateness, in accordance with relevant accounting standards, of the disclosures relating to financial instruments.
	
	Based on our assessment of information obtained from our procedures, we concluded that judgments relating to the valuation of financial instruments were reasonable.

Going concern

Refer to page 23 to 24 (accounting policy)

Description of key audit matter	***How the matter was addressed in our audit***
Management have identified events and conditions that may cast significant doubt on the Company's ability to continue as a going concern. Such matters include the limited time frame for the Company to achieve its objective of a business combination and market conditions including competition and potential geopolitical events. Having considered all of the relevant information, management have concluded that a there are no material uncertainties that require disclosure. There is significant risk of error relating to going concern given the judgmental nature	The procedures we undertook included: • Evaluated whether the period of management's assessment was appropriate, and whether the assessment includes all relevant information that has come to our attention in the audit; • Evaluated whether the assumptions are realistic and achievable and consistent with the external and/or internal environment; • Remained alert to events or conditions that may cast doubt on the Company's ability to continue as a going concern, including those beyond management's assessment; and

of the matters that require consideration by management and those charged with governance.	• Concluded on the appropriateness of management's use of the going concern basis of accounting, and the adequacy of financial statement disclosures. Based on our assessment of information obtained from our procedures, we concluded that management's use of the going concern assumption appears appropriate in the preparation and preparation of the financial statements and that the events or conditions identified do not constitute a material uncertainty.

Share-based payments

Refer to page 32 (accounting policy) and page 51 (financial disclosures)

Description of key audit matter	***How the matter was addressed in our audit***
Sponsor shares are equity instruments that management have identified as being granted under a share-based payment arrangement. Significant judgment has been applied in determining that the sponsor shares are within the scope of IFRS 2 Share-based Payment. The completeness and accuracy of the measurement and recognition of share-based payments are determined by the grant date and the probability of business combination. Determination of grant date is important because this is the measurement date on which the fair value of the sponsor shares granted is based. Probability of business combination is significant because the share-based payment cost is recognised if the business combination is more likely than not to be achieved. Significant judgment has been applied in determination of these key terms. Finally, initial measurement of the share-based payments is at fair value, which is established by a Monte Carlo simulation and a discount for lack of marketability derived using the option pricing method that include assumptions and inputs that are unobservable. There is significant risk relating to the completeness, accuracy and valuation at initial recognition of the sponsor shares given the judgmental nature of the matters that require consideration by management and those charged with governance.	The procedures we undertook with respect to scope of IFRS 2 Share-based Payment: • Challenged management on the facts and circumstances such as subscription of sponsor shares, at a nominal price, that will result in significant dilution of the ordinary shares if a business combination occurs; and • Compared the fair value of the sponsor shares at grant date to the nominal price paid, noting that the fair value was higher. With respect to completeness and accuracy of the measurement and recognition of share-based payments, we performed the following procedures: • Challenged management as to when there was a shared understanding of the terms and conditions of the share-based arrangement, i.e. the grant date; • Challenged management as to the facts and circumstances that could impact the probability of business combination, such as time frame and market conditions; and • Evaluated whether management's assessment of grant date and probability of business combination included all relevant information that has come to our attention in the audit. With respect to the procedures we undertook on initial measurement of the share-based payments at fair value: • Documenting and assessing the design and implementation of the valuation processes and controls in place;

	• Challenging management on key judgments. In particular, we: • Challenged the appropriateness of the valuation technique selected as well as the underlying assumptions, such as volatility and time to business combination; • Challenged the application of non-market performance conditions in the valuation of sponsor shares at grant date; and • Compared key underlying financial data inputs to external sources, such as peer group comparisons and marketplace transaction timelines. We used the work undertaken by our own valuation specialist to assist with the above procedures. In addition, we also considered the appropriateness, in accordance with relevant accounting standards, of the disclosures relating to share-based payments. Based on our assessment of information obtained from our procedures, we concluded that the sponsor shares are with scope of IFRS 2 Share-based Payment and judgments relating to the completeness, accuracy and initial measurement at fair value of share-based payments to be reasonable.

Contingent settlement provision

Refer to page 48 (accounting policy and financial disclosures)

Description of key audit matter	***How the matter was addressed in our audit***
The Company is required to settle deferred underwriting commissions upon business combination. The contingent settlement provision is a financial liability that is initially recognised at fair value and subsequently measured at amortised cost. Fair value of the financial liability at initial recognition and for the purpose of disclosure in note 16 to the financial statements is determined by using a valuation technique that utilises unobservable inputs such as the probability of business combination. Subsequent measurement of the financial liability at amortised cost is determined by estimating the rate that exactly discounts the estimated future cash payment through the expected life of the financial liability to the amortised cost of the financial liability.	The procedures we undertook included: • Challenged management on the facts and circumstances that could impact the probability of business combination, such as time frame and market conditions; and • Evaluated whether management's assessment of the probability of business combination included all relevant information that has come to our attention in the audit. We used the work undertaken by our own valuation specialist to assist with the above procedures. In addition, we also considered the appropriateness, in accordance with relevant accounting standards, of the disclosures relating to the contingent settlement provision.

Report on the Audit of the Financial Statements (continued)

Management have determined that the business combination is more likely than not to be achieved. Accordingly, the estimated future cash payment is 100% of the amount required to be settled. Significant judgment has been applied by management in determination of the probability of business combination. There is significant risk relating to the completeness and accuracy of the contingent settlement provision given the judgmental nature of the matters that require consideration by management and those charged with governance.	Based on our assessment of information obtained from our procedures, we concluded that judgments relating to initial recognition and subsequent measurement of the contingent settlement provision to be reasonable.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Directors' Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 management either intends to liquidate the Company or to cease operations, or has 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.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the (consolidated) financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

European Single Electronic Format (ESEF)

The Company has prepared its annual report in ESEF. The requirements for this format are set out in the Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (these requirements are hereinafter referred to as: the RTS on ESEF).

In our opinion, the annual report prepared in the XHTML format, including the financial statements as included in the reporting package by the Company, has been prepared in all material respects in accordance with the RTS on ESEF.

Those charged with governance are responsible for preparing the annual report including the financial statements in accordance with the RTS on ESEF, whereby the management combine the various components into a single reporting package. Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package, is in accordance with the RTS on ESEF.

KPMG

Report on the Audit of the Financial Statements (continued)

Our procedures included amongst others:

- obtaining an understanding of the Company's financial reporting process, including the preparation of the annual report in XHTML format; and
- examining whether the annual report in XHTML format is in accordance with the RTS on ESEF.

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

KPMG

23 June 2022

Brigade-M3 European Acquisition Corp.
Statement of Financial Position
31 December 2021

	Note	31 December 2021 $
Assets		
Cash	4	915,515
Cash held in escrow	8	255,000,001
Prepayments		1,186,105
Share capital receivable	7	625
Forward derivative agreement at fair value through profit or loss	14	1,841,750
Total assets		**258,943,996**
Shareholders' equity and liabilities		
Shareholders' equity		
Share capital	9	625
Share based payment reserve	17	2,215,745
Retained earnings		1,276,339
Total shareholders' equity		**3,492,709**
Liabilities		
Accrued expenses		193,477
Contingent settlement provision	13	5,802,357
Units	9	241,160,628
Sponsor warrant liabilities at fair value through profit or loss	3,9	8,294,825
Total liabilities		**255,451,287**
Total shareholders' equity and liabilities		**258,943,996**

The notes on pages 22 to 51 form an integral part of these financial statements.

Brigade-M3 European Acquisition Corp.

Statement of Comprehensive Income

For the period from 21 April 2021 (date of incorporation) to 31 December 2021

	Note	31 December 2021 $
Income		
Net unrealised gains on financial assets and liabilities at fair value through profit or loss		5,146,925
Total income		**5,146,925**
Expenses		
Share based payment expense	17	2,215,745
Formation and operational expenses	10	889,832
Interest expense calculated using the effective interest method		765,009
Total expenses		**3,870,586**
Net income for the period		**1,276,339**
Total comprehensive income for the period		**1,276,339**
Basic earnings per share	12	0.20
Diluted earnings per share	12	0.20

The notes on pages 22 to 51 form an integral part of these financial statements.

Brigade-M3 European Acquisition Corp.
Statement of Changes in Equity
For the period from 21 April 2021 (date of incorporation) to 31 December 2021

	Share capital	Share based payment reserve	Retained earnings	Total
	$	$	$	$
Opening balance – 21 April 2021	-	-	-	-
Comprehensive income for the period	-	-	1,276,339	1,276,339
Total comprehensive income for the period	-	-	**1,276,339**	**1,276,339**
Capital transactions				
Issuance of sponsor shares	625	-	-	625
Share based payment reserve	-	2,215,745	-	2,215,745
Closing balance – 31 December 2021	**625**	**2,215,745**	**1,276,339**	**3,492,709**

The notes on pages 22 to 51 form an integral part of these financial statements.

Brigade-M3 European Acquisition Corp.

Statement of Cash Flows

For the period from 21 April 2021 (date of incorporation) to 31 December 2021

	2021
	$
Cash flows from operating activities:	
Net income for the period	1,276,339
Adjustments to reconcile net income for the period to net cash used in operating activities:	
Adjustment for:	
Net unrealised gains on financial assets and liabilities at fair value through profit or loss	(5,146,925)
Share based payment expense	2,215,745
Interest expense calculated using the effective interest method	765,009
Changes in:	
Share capital receivable	(625)
Prepayments	(1,186,105)
Accrued expenses	193,477
Net cash used in operating activities	**(1,883,085)**
Cash flows from investing activities	
Deposit in escrow account of proceeds from issuance of units	(255,000,001)
Net cash used in investing activities	**(255,000,001)**
Cash flows from financing activities	
Proceeds from issuance of sponsor warrants	10,850,000
Proceeds from issuance of units	250,000,000
Offering costs	(3,051,399)
Net cash generated from financing activities	**257,798,601**
Net change in cash	**915,515**
Cash at beginning of the period	-
Cash at end of the period	**915,515**

Supplemental disclosure of non-cash information:	
Proceeds from issuance of sponsor shares	625

The notes on pages 22 to 51 form an integral part of these financial statements.

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 (date of incorporation). The Company is registered as exempted because its objects are to be carried out mainly outside the Cayman Islands. 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 ("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").

The Company has been listed on the Euronext Amsterdam Stock Exchange ("Euronext Amsterdam") as of 8 December 2021, having raised US$ 250,000,000 in its IPO of 25,000,000 units at US$ 10 per unit (the "Offering"). An over-allotment option existed but was not exercised. These proceeds were placed in an escrow account as outlined in the prospectus. Each unit is exchangeable for one (1) redeemable ordinary share and one-half (½) of a public warrant.

The Company has no employees at 31 December 2021.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Company for the period from 21 April 2021 (date of incorporation) to 31 December 2021 have been prepared in accordance, and comply with, International Financial Reporting Standards ("IFRS") and are stated in United States dollars ("USD" or "$"), the Company's functional currency, unless otherwise disclosed.

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

2.2 Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets resulting from operations during the reporting period. Actual results could differ from these estimates.

2. Summary of significant accounting policies (continued)

2.2 Use of estimates and judgements (continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements
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 2.3 – Going concern
- Note 2.5 – Determination of functional currency

Assumptions and estimation uncertainties
Information about assumptions and estimation uncertainties 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 3 – Fair value measurement
- Note 13 – Contingent settlement provision
- Note 17 – Share based payment – probability of business combination and identification of grant date

2.3 Going concern

The financial statements have been prepared on a going concern basis. 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 has 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 9.

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.

The events and conditions that management considers relevant to the Company's ability to continue as a going concern include the limited time frame remaining to the Business Combination Deadline and market conditions inclusive of competition and potential geopolitical events.

2. Summary of significant accounting policies (continued)

2.3 Going concern (continued)

Management remain focused on completing a Business Combination by the Business Combination Deadline. Having considered all relevant information, management have concluded that there are no material uncertainties related to the identified events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Reaching the conclusion that there is no material uncertainty involves significant judgement.

In addition, such opinion is not dependent on the Company completing a Business Combination by the Business Combination Deadline. It is important to note that nothing in this analysis implies that the Company would be unable to meet its debts as they fall due or to fulfil the above mentioned redemptions of redeemable ordinary shares should the Company not complete a Business Combination by the Business Combination Deadline.

2.4 New accounting developments

There are no new accounting developments which are expected to have a significant impact on the Company's financial condition or results of operations.

2.5 Functional and presentation 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, on 2 December 2021 they were redenominated to USD, as disclosed in Note 9. Accordingly, management has determined that the functional currency of the Company is USD.

(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.

2. Summary of significant accounting policies (continued)

2.6 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.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL.

Financial assets classified 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 classified 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.

2. Summary of significant accounting policies (continued)

2.6 Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

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.

(iv) Fair value measurement

'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.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. 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 ongoing basis. The Company measures instruments quoted in an active market at a mid-price, because this price provides a reasonable approximation of the exit price.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

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.

2. Summary of significant accounting policies (continued)

2.6 Financial instruments (continued)

(v) Impairment

The Company recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due.

The Company considers a financial asset to have low credit risk when the credit rating of the counter party is equivalent to the globally understood definition of 'investment grade'. The Company considers this to be BBB or higher per Standard and Poor's.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

2. Summary of significant accounting policies (continued)

2.6 Financial instruments (continued)

(v) Impairment (continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Fund expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

2. Summary of significant accounting policies (continued)

2.6 Financial instruments (continued)

(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.

2.7 Forward derivative agreements

The forward derivative agreements are instruments that give the Company the right, but not the obligation to issue ("put") ordinary shares at a specified price (the "exercise price") on or before a predetermined date when such right is exercised by cash settlement.

The value of the forward derivative agreement has two components: time value and intrinsic value. A forward derivative agreement has a limited life and expires on a certain date. As the expiration date of a forward derivative agreement approaches, the time value of a forward derivative agreement will decline. In addition, if the share underlying the forward derivative agreement increases in price, the intrinsic value of an in the money forward derivative agreement will decline. Further, if the price of the share underlying the forward derivative agreement exceeds the exercise price of the forward derivative agreement, the forward derivative agreement will expire worthless.

2.8 Cash

Cash represents cash deposits held at financial institutions. Cash is held at major financial institutions.

2. Summary of significant accounting policies (continued)

2.9 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 is recognised initially at fair value. The best evidence of the fair value of share capital receivable is at transaction price, the amount of consideration that is unconditional, unless it contains significant financing components when it is recognised at fair value. Subsequent measurement is at amortised cost using the effective interest method, less any loss allowance.

2.10 Prepayments

These represent assets for amounts paid prior to the end of the financial period, for which services are yet to be provided to the Company. Prepayments are presented as current assets unless the service is not due to be provided within 12 months after the reporting period.

2.11 Accrued expenses

These amounts represent liabilities for services provided to the Company prior to the end of the financial period, which are unpaid. Accrued expenses are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Accrued expenses are recognised initially at 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.

2.12 Cash held in escrow

Cash held in escrow is subject to legal or contractual restriction by third parties as well as restriction as to withdrawal or use, including restrictions that require the cash to be used for a specified purpose and restrictions that limit the purpose for which this cash can be used.

2. Summary of significant accounting policies (continued)

2.13 Units

Units comprise of redeemable ordinary shares and public warrants. Each unit is exchangeable for one (1) redeemable ordinary share and one-half (½) of a public warrant.

Redeemable ordinary shares

Redeemable ordinary shares are redeemable at the shareholder's option and are classified as financial liabilities.

Redeemable ordinary shares are recognised initially at 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.

The 'effective interest rate' is calculated on initial recognition of a financial instrument as the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating amortisation expense, the effective interest rate is applied to the amortised cost of the liability.

Any amortisation expense on financial liabilities measured at amortised cost is presented in the statement of comprehensive income as interest expense calculated using the effective interest method.

Public warrants

The public warrants are classified as derivative liabilities measured at FVTPL at each reporting period, in accordance with IFRS 9 – *Financial Instruments* ("IFRS 9") and IAS 32 – *Financial Instruments: Presentation* ("IAS 32").

Public warrants are recognised initially at fair value. The fair value of public warrants at initial recognition was determined by a valuation specialist.

Subsequent measurement is at FVTPL with changes in the fair value recorded in the statement of comprehensive income.

2.14 Sponsor shares

Sponsor shares are not redeemable, do not receive any proceeds on liquidation and are classified as equity in the statement of financial position.

Sponsor shares are recognised initially at cost. The best evidence of the cost of an equity instrument at initial recognition is normally the transaction price.

2. Summary of significant accounting policies (continued)

2.15 Sponsor warrants

The sponsor warrants are classified as derivative liabilities measured at FVTPL at each reporting period, in accordance with IFRS 9 – *Financial Instruments* ("IFRS 9") and IAS 32 – *Financial Instruments: Presentation* ("IAS 32").

Sponsor warrants are recognised initially at fair value. The fair value of sponsor warrants at initial recognition was determined by a valuation specialist.

Subsequent measurement is at FVTPL with changes in the fair value recorded in the statement of comprehensive income.

2.16 Share based payment reserve

The Sponsor Entity provides services in the form of expertise to assist the Company to identify a suitable candidate for a Business Combination. In accordance with IFRS 2 – *Share-based Payments* ("IFRS 2"), the Company will recognise a share based payment expense as it is being provided with services in the form of expertise from the Sponsor Entity.

The grant-date fair value of equity-settled share based payment arrangements is recognised as an expense in the statement of comprehensive income with a corresponding increase in a separate reserve within equity. Service and non-market performance conditions attached to the sponsor shares are not taken into account in estimating fair value. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

2.17 Taxation

The Company is exempt from all forms of taxation in the Cayman Islands. However, in some jurisdictions, dividend income, interest income and capital gains may be subject to withholding tax imposed in the country of origin. The Company presents withholding tax separately from the dividend income, interest income and investment income in the statement of comprehensive income.

In accordance with IAS 12 - *Income taxes* ("IAS 12"), the Company is required to recognise a tax liability when it is probable that the tax laws of foreign countries require a tax liability to be assessed on the Company's capital gains sourced from such foreign country, assuming the relevant taxing authorities have full knowledge of all the facts and circumstances. The tax liability is then measured at the amount expected to be paid to the relevant taxation authorities, using the tax laws and rates that have been enacted or substantively enacted by the end of the reporting period. There is sometimes uncertainty about the way enacted tax law is applied to offshore investment companies. This creates uncertainty about whether or not a tax liability will ultimately be paid by the Company. Therefore, when measuring any uncertain tax liabilities, management considers all of the relevant facts and circumstances available at the time that could influence the likelihood of payment, including any formal or informal practices of the relevant tax authorities.

2. Summary of significant accounting policies (continued)

2.17 Taxation (continued)

The Company considers interest and penalties on related tax liabilities to be an inseparable element of the tax liability and accounts for interest and penalties as if they are within the scope of IAS 12. These amounts would be included within the tax line in the statement of comprehensive income, and the liability would be included within the income tax liability on the statement of financial position.

2.18 Related parties

A party is considered to be related to the Company if:

(i) the party is a person or a close member of that person's family and that person
- has control or joint control over the Company;
- has significant influence over the Company; or
- is a member of the key management personnel of the Company or of a parent of the Company; or

(ii) the party is an entity where any of the following conditions applies:
- the entity and the Company are members of the same group;
- one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- the entity and the Company are joint ventures of the same third party;
- one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company;
- the entity is controlled or jointly controlled by a person identified in (i); and
- a person identified in (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.19 Offering costs

Offering costs consist of costs that are directly related to the Offering and share issuance.

These costs have been charged to the applicable financial instrument using a reasonable allocation methodology, whether to shareholders' 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 offering costs will be capitalised. If the financial liability is subsequently carried at FVTPL, offering costs are expensed.

All offering costs were allocated to the applicable financial instruments for the period from 21 April 2021 (date of incorporation) to 31 December 2021.

3. Fair value measurement

A number of the Company's accounting policies and disclosures require the measurement of fair values for financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation specialist who reports directly to the Board. The Board has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The management team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Standards, including the level in the fair value hierarchy in which the valuations should be classified.

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.

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. The determination of what constitutes "observable" requires significant judgement by management. Fair values of financial assets and liabilities that are traded in active markets are based on quoted market prices or price quotations from a broker that provides an unadjusted price from an active market for identical instruments. 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 financial 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 objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

3. Fair value measurement (continued)

Valuation techniques

If there is no quoted price in an active market, then the Company uses valuation models such as Black Scholes Option Pricing Model which has been used in valuing sponsor warrants and the Monte Carlo Simulation Model for valuing public warrants. These models maximise the use of relevant observable inputs and minimise the use of unobservable inputs. These valuation techniques incorporate all of the factors that market participants would take into account in pricing a transaction. They will also consider or take into account the contract terms (including the strike price and contract maturity) and multiple inputs (including the price of the Company's ordinary shares, volatility, risk-free rate and the term to the Company's business combination). Valuation techniques include the use of methods to determine key inputs such as volatility. Volatility is assessed by comparison with similar instruments for which observable market prices exist.

Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for the selection of the appropriate valuation model to be used.

The fair value of the financial instruments are determined by the Board upon consultation with a valuation specialist with reference to significant unobservable inputs. Fair values reflect the credit risk of the Company and the instruments themselves.

The valuation specialist has used a net present valuation calculation in determining the fair value of the forward derivative agreement, incorporating the present value of funding cost, expected term and the risk-free rate, to value this financial instrument.

In order to value the public warrants, the valuation specialist has used a Monte Carlo Simulation Model because this can explicitly model the possibility of redemption at the option of the Company. Which can happen at any point within the public warrant's exercise period. The Black Scholes Option Pricing Model was instead considered in determining the value of sponsor warrants because the path-dependent nature of the redemption provisions do not apply to the sponsor warrants.

3. Fair value measurement (continued)

Fair value hierarchy – Financial instruments measured at FVTPL

The following table summarises the valuation of the Company's financial instruments within the fair value hierarchy levels at 31 December 2021:

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial assets at fair value through profit or loss				
Forward derivative agreement	-	-	1,841,750	1,841,750
	-	**-**	**1,841,750**	**1,841,750**
Financial liabilities at fair value through profit or loss				
Public warrant liabilities, included in units	-	-	9,500,000	9,500,000
Sponsor warrant liabilities	-	-	8,294,825	8,294,825
	-	**-**	**17,794,825**	**17,794,825**

Changes in level 3 measurements

The following table presents the changes in the Company's financial instruments classified in Level 3 of the fair value hierarchy for the period ended 31 December 2021:

	2021	2021
	$	$
	Forward derivative agreement	Warrants
Beginning of period	-	-
Warrant proceeds from sponsor warrants	-	(10,850,000)
Warrant proceeds from public warrants, included in units	-	(10,250,000)
Net unrealised loss at fair value through profit or loss	1,841,750	3,305,175
End of period	**1,841,750**	**(17,794,825)**

There were no transfers between levels for the period.

3. Fair value measurement (continued)

The following table summarises the valuation techniques and significant unobservable inputs used for the Company's financial instruments classified in Level 3 as of 31 December 2021:

	Fair value $	**Valuation technique**	**Unobservable inputs**	**Range of inputs (weighted average)**
Warrant liabilities	17,794,825	Monte Carlo Simulation Model & Black Scholes Option Pricing Model	Expected volatility	10% - 15%

The forward derivative agreement has not been included in the above table because it was valued based on either observable market inputs or unobservable inputs that were not deemed to be significant.

Although management believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For warrant liabilities, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects on net income for the period.

	2021 $ Favorable	**2021 $ Unfavorable**
Public warrant liabilities at FVTPL	1,875,000	(1,875,000)
Sponsor warrant liabilities at FVTPL	1,662,220	(1,650,285)

The favorable and unfavorable effects of using reasonably possible alternative assumptions for the valuation of warrant liabilities have been calculated by recalibrating the model values using unobservable inputs. The most significant unobservable input is expected volatility which uses implied volatilities from selected comparable publicly traded warrants. The model was recalibrated using a volatility range based on the resulting distribution of implied volatilities. The actual assumption used in the valuation was 12.5% for the public warrants and 12% for the sponsor warrants.

4. Cash

	2021
	$
Current account	915,515
Total cash	**915,515**

The amounts available to the Company in the current account are used to fund the operational costs related to the Offering, working capital and Business Combination.

5. Financial risk management

The Audit Committee monitors the effectiveness of the Company's internal control systems, internal audit system and risk management system with respect to financial reporting. Financial risks principally include market risk, liquidity risk and credit risk. There has been no change during the period to the manner in which these risks are managed and measured.

5.1. Market risk management

Market risk is the risk that the value of financial assets will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual assets or factors affecting all assets in the market. Market risk includes interest, currency and other market price risk.

Interest risk

As at 31 December 2021, the majority of the Company's restricted cash held in escrow is held in an interest-bearing account denominated in USD. As such, the Company is primarily exposed to the financial risks associated with the effects of fluctuations in the prevailing levels of interest rates on its financial position and cash flows.

A cash flow sensitivity analysis for the variable rate cash held in escrow has not been included because the funds were received on 8 December 2021 and so the interest accrued in the period to year end was immaterial.

Currency risk

As at 31 December 2021, the Company did not hold any financial assets or financial liabilities denominated in currencies other than its functional currency. Consequently, the Company is not directly exposed to risks associated with fluctuating exchange rates. As the Company has minimal exposure to currency risk, management considers that no foreign exchange rate sensitivity analysis is required.

5. Financial risk management (continued)

5.1. Market risk management (continued)

Other market price risk

As at 31 December 2021, the Company holds financial assets and financial liabilities that are valued by the valuation specialists including the forward derivative agreement, sponsor warrants and public warrants, included in units. These financial assets and financial liabilities are measured at fair value using the unobservable inputs and therefore a sensitivity analysis of other marker price risk is not relevant.

5. 2. Liquidity risk management

Liquidity risk is the risk that the 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 liquidity needs have been satisfied prior to the completion of the Offering through receipt of $10,850,000 from the issuance of sponsor warrants, of which $3,350,000 has been allocated to the payment of Company expenses. As at 31 December 2021, the cash available in the current account, amounting to $915,515 will be used to settle the operational costs of the Company.

Units are convertible into redeemable ordinary shares and public warrants. The Company is then obligated to offer holders of its redeemable ordinary shares with validly exercised redemption rights the right to redeem their ordinary shares for cash at the time of the Business Combination or to redeem 100% of the ordinary shares if the Company does not complete a Business Combination by the Business Combination Deadline. The Company will provide its ordinary shareholders with the opportunity to redeem all or a portion of their ordinary shares upon the completion of the Business Combination, irrespective of whether and how they vote at the general meeting convened to approve the Business Combination.

If the Company fails to complete its Business Combination prior to the Business Combination Deadline, it will redeem the redeemable ordinary shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in escrow, including interest earned on the funds held in escrow divided by the number of then outstanding ordinary shares.

The Company does not currently believe that it will need to raise additional funds in order to meet the expenditure required for operating its business until the completion of the Business Combination. However, it may need to raise additional funds, if such funds were to be required to complete the Business Combination and/or to finance the redemption of the redeemable ordinary shares. The Sponsor Entity has the option to fund any excess costs through the issuance of debt instruments to the Company, such as promissory notes. 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. Other than as contemplated above, the Company does not intend to raise additional financing or debt prior to the completion of the Business Combination.

5. Financial risk management (continued)

5. 2. Liquidity risk management (continued)

The table below summarises the maturity profile of the Company's financial liabilities at 31 December 2021.

	Less than 3 months $	3 - 12 months $	12 - 18 months $	Total $
Liabilities				
Redeemable ordinary shares, included in units	-	-	231,660,628	231,660,628
Public warrant liabilities at fair value through profit or loss, included in units	-	-	9,500,000	9,500,000
Sponsor warrant liabilities at fair value through profit or loss	-	-	8,294,825	8,294,825
Contingent settlement provision	-	-	5,802,357	5,802,357
Accrued expenses	-	193,477	-	193,477
	-	193,477	255,257,810	255,451,287

5. 3. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

The majority of the assets of the Company comprise cash and cash held in escrow that is held in separate trust accounts with HSBC and Goldman Sachs. The probability of default of these custodians is deemed low based on the following credit ratings as at 31 December 2021:

Credit Ratings	Balance as at 31 December 2021 ($)	Moody's	Standard & Poor's	Fitch
Goldman Sachs	915,515	A3	BBB+	A
HSBC	255,000,001	A2	A-	A+
	255,915,516			

Counterparty risk

The Company is exposed to counterparty risk from the potential failure of Brigade-M3 European FPA L.P, a related party, to settle the exercised forward derivative agreement. The maximum risk of loss from counterparty risk to the Company is the fair value of the derivative contract. The Company considers the effects of counterparty risk when determining the fair value of its forward agreement derivative. Forward derivative agreements are recognised initially at fair value. Subsequent to initial recognition they are measured at FVTPL.

5. Financial risk management (continued)

5. 4. Capital risk management

The Sponsor Entity or its affiliates may fund any excess costs through the issuance of debt instruments to the Company, as disclosed in note 2.3.

6. Acquisition

The Company made no acquisitions during the period ended 31 December 2021.

7. Share capital receivable

Share capital receivable relates to a receivable from the Sponsor Entity for its equity contribution. At 31 December 2021, the subscription receivable carrying amount of $625 approximates fair value due to the short-term nature of the asset.

8. Cash held in escrow

Cash held in the interest bearing escrow account comprise 100% of the proceeds from the Offering and, in the event that the Business Combination is successful, will be used to satisfy the cash requirements of the Business Combination, including funding the purchase price, paying related expenses and retaining specified amounts to be used by the post-Business Combination company for working capital or other purposes.

As per the Company's prospectus, the Company will have legal ownership of the cash amounts contributed by ordinary and sponsor shareholders, and the Board will have the authority and power to spend such amounts. In an effort to ensure that the amounts committed by ordinary shareholders are used for no other purposes as described above, the Company has entered into an escrow agreement with HSBC Bank Plc to create a variable interest escrow account.

The gross proceeds from the Offering are deposited in the escrow account and the amounts held in the escrow account are held in cash. The total balance in the escrow accounts at 31 December 2021 was $255,000,001, of which $250,000,000 is held for the Business Combination and $5,000,001 relates to an escrow overfunding, expected to be $0.20 per ordinary share.

9. Capital instruments

9.1 Authorised share capital

The authorised share capital of the Company at 31 December 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. The sponsor shares were originally issued in EUR but they were redenominated into USD by way of an ordinary resolution on 2 December 2021.

9. Capital instruments (continued)

9.2 Sponsor shares

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. While shares were originally issued in EUR, on 2 December 2021 they were redenominated to USD. On 22 December 2021, 937,500 of the total sponsor shares acquired by the Sponsor Entity were forfeited for no consideration. The total remaining 6,250,000 sponsor shares, held by the Sponsor Entity and the Directors, constitute the Company's sole equity as at 31 December 2021.

The sponsor shares shall automatically convert into ordinary shares, subject to the satisfaction of certain performance-related conditions.

The sponsor shares will rank *pari passu* with each other and holders of the sponsor shares will be entitled to dividends and other distributions declared and paid on them. Each sponsor share carries the distribution and liquidation rights as included in the articles of association and the right to attend and to cast one vote at a general meeting of the Company (including at the Business Combination general meeting), however, the Sponsor Entity and the Directors have entered into a letter agreement with the Company pursuant to which they have waived their rights to liquidating distributions from cash held in escrow with respect to sponsor shares if the Company does not complete a Business Combination by the Business Combination Deadline. The sponsor shares will not be admitted to listing or trading on any trading platform.

The Sponsor Entity and the Directors are unable to transfer any sponsor shares until the earlier a) of one year after the Business Combination completion date and b) subsequent to the Business Combination, x) if the last reported sale price of the ordinary shares exceeds $12.00 per ordinary share for any 20 trading days within any 30 trading day period commencing at least 150 calendar days after the Business Combination completion date or y) the date following the consummation of the Business Combination on which the Company completes a strategic transaction.

9. Capital instruments (continued)

9.3 Sponsor warrants

On 6 December 2021, the Sponsor Entity entered into an agreement to purchase 10,850,000 sponsor warrants at a price of $1.00 per sponsor warrant, the proceeds of which will be used as follows: (i) $2,500,000 for the public offering commission cover; (ii) $3,350,000 for offering and running costs; and (iii) $5,000,000 for the escrow overfunding.

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. If the Company does not complete a Business Combination by the Business Combination Deadline, the sponsor warrants will expire worthless.

The sponsor warrants are identical to the warrants underlying the units being sold in the Offering, except that (i) the ordinary shares issuable upon the exercise of the sponsor warrants will not be transferable, assignable, convertible or saleable until 30 days after the completion of a Business Combination, subject to limited exceptions; (ii) the sponsor warrants may be exercised by the Sponsor Entity on either a cash or cashless basis; (iii) a portion of the sponsor warrants may be redeemed upon completion of a Business Combination as described in and subject to the order of payments being followed as set out in the prospectus; and (iv) the sponsor warrants will not be admitted to listing or trading on any trading platform.

9.4 Units

Units comprise of redeemable ordinary shares and public warrants. Each unit is exchangeable for one (1) redeemable ordinary share and one-half (½) of a public warrant.

On 6 December 2021, the Sponsor Entity subscribed for 28,750,000 redeemable ordinary shares, 14,375,000 public 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 redeemable ordinary shares and units was then redeemed by the Company for the same par values. The subscription of the public warrants was, on the Settlement Date, redeemed by the Company for the same par values. After completion of these transactions the Company held 28,750,000 redeemable ordinary shares and 14,375,000 public warrants in treasury to effect the redemption of units and 3,750,000 units were held in treasury to effect the over-allotment option. Ultimately the over-allotment option was not exercised.

9. Capital instruments (continued)

9.4 Units (continued)

Units	2021
In issue at 21 April	-
Issued for cash on 8 December	25,000,000
In issue at 31 December	25,000,000

The units rank *pari passu* with each other and unit holders are entitled to dividends and other distributions declared and paid on them. Each unit carries the distribution rights as included in the articles of association and the right to attend and to cast one vote at a general meeting of the Company (including at the Business Combination general meeting). However, units will not be redeemed in connection with the Business Combination general meeting under the redemption arrangements. The unit holders have the option to convert units into redeemable ordinary shares and public warrants from the 37th calendar day after the Offering. Therefore, unit holders must first exchange their units for redeemable ordinary shares in order to redeem such ordinary shares in connection with the Business Combination general meeting under the redemption arrangements.

Units	2021 $
Proceeds from issuance of units	250,000,000
Offering costs	(3,285,420)
Contingent settlement provision	(5,459,180)
Interest expense calculated using the effective interest method	655,228
Net unrealised gain on public warrant liabilities, included in units	(750,000)
Carrying amount at 31 December	241,160,628
Carrying amount of component parts of units at 31 December:	
Redeemable ordinary shares	231,660,628
Public warrants	9,500,000

9. Capital instruments (continued)

9.4 Units (continued)

i. Redeemable ordinary shares attributable to units

The redeemable ordinary shares will rank *pari passu* with each other and holders of the redeemable ordinary shares will be entitled to dividends and other distributions declared and paid on them. Each redeemable ordinary share carries the distribution and liquidation rights as included in the articles of association and the right to attend and to cast one vote at a general meeting of the Company (including at the Business Combination general meeting).

The Company will provide ordinary shareholders with the opportunity to redeem all or a portion of their ordinary shares upon the consummation of the Business Combination at a per-share price, payable in cash, equal to the aggregate amount then on deposit in escrow calculated as of two trading days prior to the consummation of the Business Combination, divided by the number of then issued and outstanding ordinary shares (not held in treasury). As at 31 December 2021, the Company has not issued any redeemable ordinary shares other than those held in treasury.

ii. Public warrants attributable to units

Each whole public warrant entitles the warrant holder to purchase one ordinary share at a price of $11.50 per ordinary share at any time commencing on 30 days following the Business Combination completion date. The public warrants will expire on the date that is five years following the date on which they first became exercisable, or earlier upon redemption of the public warrants or liquidation of the Company. A public warrant holder may exercise only whole public warrants at a given time. No fractional public warrants will be issued or delivered upon exchange of the units and only whole public warrants will trade on Euronext Amsterdam. Accordingly, unless an investor purchases at least two units, it will not be able to receive or trade a whole public warrant. The public warrant holders in such capacity do not have the rights of shareholders or any voting rights until they exercise their public warrants and receive ordinary shares. After the issuance of ordinary shares upon exercise of the public warrants, such ordinary shares will entitle the holder to the same rights as any other ordinary shareholder.

Once the public warrants become exercisable (and prior to their expiration), the Company has the ability to redeem the outstanding public warrants in accordance with the terms and conditions as set out in the prospectus. As at 31 December 2021 no public warrants have been issued other than those in treasury.

9. Capital instruments (continued)

9.4 Units (continued)

iii. Treasury

After the Offering, 28,750,000 redeemable ordinary shares, 14,375,000 public warrants and 3,750,000 units were held in treasury. On 22 December 2021, 3,750,000 of the total redeemable ordinary shares, 1,875,000 of the total public warrants and 3,750,000 of the total units, acquired by the Sponsor Entity and held in treasury were surrendered for no consideration and cancelled.

Subsequent to the Offering, the redeemable ordinary shares and public warrants held in treasury will be admitted to listing and trading on Euronext Amsterdam, and are held for the purpose of facilitating the exchange of units into redeemable ordinary shares and public warrants. As long as any public warrants are held in treasury, they will not be converted. As long as redeemable ordinary shares are held in treasury, they do not yield dividends, do not entitle the holder to voting rights, and do not count towards the calculation of dividends or voting percentages.

Financial instruments held in treasury as at	**2021 6 December**	**2021 22 December**
Redeemable ordinary shares	28,750,000	25,000,000
Public warrants	14,375,000	12,500,000
Units	3,750,000	-

10. Operating costs

As at 31 December 2021, total operating costs since the inception of the Company amounted to $889,832, which includes underwriting discount expense of $335,895 and listing fees of $141,784.

11. Dividends

No dividends were paid or declared by the Company during the period ended 31 December 2021.

12. Net earnings per share

12.1. Basic net earnings per share

	2021 **$**
Numerator	
Net income for the period used in basic earnings per share	1,276,339
Total net income for the period used in basic earnings per share	1,276,339
Denominator	
Weighted average number of sponsor shares used in basic earnings per share	6,530,637
Total weighted average number of sponsor shares used in basic earnings per share	6,530,637

The weighted average number of shares does not consider redeemable ordinary shares because these instruments are not accounted for as equity, but rather as a financial liability.

12.2. Diluted net earnings per share

The Company has reviewed the dilution factors and concluded that there are no instruments that have dilutive potential as at 31 December 2021. As there is uncertainty as to the likelihood of an initial Business Combination, the potential dilutive effects of redeemable ordinary shares, sponsor warrants and public warrants have not been factored into the above weighted average number of shares. The conditions for conversion of these instruments to equity have not been satisfied at the reporting date. When the Business Combination has occurred, the redeemable ordinary shares will become equity and will no longer be a financial liability, hence the dilutive effect is not considered in the diluted earnings per share calculation. As a result, diluted earnings per share is deemed to be the same as basic earnings per share as at 31 December 2021 (see note 12.1).

13. Contingent settlement provision

The underwriter has agreed to defer part of its underwriting commission, amounting to $11,250,000 or 4.5% of the aggregate gross proceeds of the Offering. This deferred underwriter commission will become payable to the underwriter from the amounts held in escrow solely in the event that the Company completes a Business Combination, subject to the terms of the underwriting agreement.

The Company has recognised a contingent settlement provision related to deferred underwriter commission in these financial statements. This contingent settlement provision was initially recognised at fair value as at the Settlement Date and subsequently recognised at amortised cost. The fair value at initial recognition of the contingent settlement provision was determined by discounting the total deferred commissions using management's estimate of the probability of Business Combination and the adjusted risk free rate at the Settlement Date. Further, fair value of the contingent settlement provision is estimated for the purposes of disclosure in note 16. Management's estimate of the probability of business combination at Settlement Date for the purposes of initial recognition and as at the financial reporting date for the purposes of disclosure in note 16, is an unobservable input that requires significant judgment. Subsequent measurement of the contingent settlement provision at amortised cost is determined by estimating the rate that exactly discounts the estimated future cash payments through the expected life of the financial liability to the amortised cost of the financial liability. As of 31 December 2021, management determined that it was probable that a business combination would occur (i.e. that there is a greater than 50% probability that a business combination would occur). Accordingly, estimated future cash payments are 100% of the amount required to be settled. Significant judgment has been applied in the determination of the probability of business combination. The fair value of the contingent settlement provision as at 31 December 2021 has been estimated at $5,692,575.

14. 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.

In addition to the issuance of the unpaid sponsor shares to the Sponsor Entity, the Sponsor Entity also made payments of $120,464 related to expenses paid on behalf of the Company, of which all was repaid by the Company as at 31 December 2021.

Share based payments between the Company and the Sponsor Entity have been recognised, as disclosed in note 17.

The sponsor shares carry voting rights of 20% of total shares eligible to vote, of which the directors hold 0.3%.

14. Related party transactions (continued)

The Company entered into a forward derivative agreement with Brigade-M3 European FPA L.P. (the "Purchaser") on 6 December 2021. The terms of the agreement state that the Company shall issue and sell to the Purchaser, and the Purchaser shall purchase from the Company, at the Company's discretion, up to 2,500,000 shares at an exercise price of $10 per ordinary share. The agreement may be terminated any time prior to the forward agreement derivative's closing, either by mutual consent of the Company and the Purchaser or it will automatically terminate if the Business Combination is not consummated within 18 months. Total fair value of the forward agreement derivative as at 31 December 2021 was $1,841,750.

On 8 December 2021, the Company entered into an agreement with a related party, Brigade Capital UK LLP, as Financial Advisor, pursuant to which the related party will assist the Company in identifying suitable target companies. As consideration for services provided the Company will pay advisor fees of $2,500,000, contingent on a successful Business Combination.

There were no other related party transactions for the period ending 31 December 2021.

31 December 2021	Number of shares, beginning of period	Issued	Transfers	Forfeited/ Dispossessed	Number of shares, end of period
Sponsor shares					
Brigade SPAC Sponsor II LLC	-	7,187,500	(105,000)	(937,500)	6,145,000
Vijay Rajguru (Executive director and chairperson)	-	-	25,000		25,000
Rosalia Portela (Executive director)	-	-	20,000		20,000
Carlos Sagasta (Non-executive director)	-	-	20,000		20,000
Stephan Walz (Non-executive director)	-	-	20,000		20,000
Brenda Rennick (Non-executive director)	-	-	20,000		20,000
	-	7,187,500	-	(937,500)	6,250,000

31 December 2021	Number of warrants, beginning of period	Issued	Forfeited/ Dispossessed	Number of warrants, end of period
Sponsor warrants				
Brigade SPAC Sponsor II LLC	-	10,850,000	-	10,850,000

15. Income tax

The Company is domiciled in the Cayman Islands. Under the current laws of the Cayman Islands, there is no income, estate, corporation, capital gains or other taxes payable by the Company. As a result, no provision for Cayman Islands' taxes has been made in the financial statements.

Overseas withholding taxes may be charged on certain investment income and capital gains of the Company. No withholding taxes have been incurred or paid during the period ended 31 December 2021.

The Company has concluded that there was no impact on the results of its operations relating to taxation for the period ended 31 December 2021.

16. Accounting classification and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

31 December 2021	Carrying Value	Fair Value	Fair value hierarchy level
Financial assets measured at fair value			
Forward derivative agreement	1,841,750	1,841,750	Level 3
	1,841,750	1,841,750	
Financial assets measured at amortised cost			
Cash	915,515	915,515	Level 1
Cash held in escrow	255,000,001	255,000,001	Level 1
Share capital receivable	625	625	Level 2
	255,916,141	255,916,141	
Financial liabilities measured at fair value			
Public warrant liabilities, included in units	9,500,000	9,500,000	Level 3
Sponsor warrant liabilities	8,294,825	8,294,825	Level 3
	17,794,825	17,794,825	
Financial liabilities measured at amortised cost			
Redeemable ordinary shares, included in units	231,660,628	245,000,000	Level 3
Contingent settlement provision	5,802,357	5,692,575	Level 3
Accrued expenses	193,477	193,477	Level 2
	237,656,462	250,886,052	

17. Share based payment reserve

The Sponsor Entity has provided services in the form of expertise and guidance to assist the Company in achieving the Business Combination, in exchange for sponsor shares

The Sponsor Entity acquired 7,187,500 sponsor shares at par value of $0.0001 which will convert to ordinary shares on a basis of 20% of the total ordinary shares. 937,500 of the total sponsor shares acquired by the Sponsor Entity were forfeited for no consideration on 22 December 2021 following the decision not to exercise the over-allotment. In order for the sponsor shares to convert to ordinary shares, a Business Combination would have to occur and market conditions, such as certain target share prices in the promote schedule as per the prospectus need to be achieved.

As the Company will trade its own ordinary shares as consideration for services received, the share based payment is treated as equity-settled. The vesting period is the 18 months over which the Company has to complete a Business Combination. The grant date is considered to be the date of Offering. The value of services received is determined by a valuation specialist with reference to the fair value of the sponsor shares issued.

The valuation specialist has used a Monte Carlo simulation to estimate the fair value of the sponsor shares. Non-market performance conditions have not been taken into account when estimating the fair value such as the probability of Business Combination. The key inputs used in the measurement of the fair values at grant date of the sponsor shares were the initial stock price, volatility, expected term and the restriction period after the initial Business Combination.

As of grant date the fair value of each sponsor share is $8.44. The difference between the total consideration received by the Company for the sponsor shares and their fair value at the Offering date is $52,744,375. This will be pro-rated over the period to the Business Combination Deadline and recognised in equity as a share based payment reserve with the associated expense of $2,215,745 reflected in the statement of comprehensive income as a share based payment expense.

18. Subsequent events

The Company has evaluated the effect of all subsequent events occurring through 23 June 2022, the date the financial statements were available to be issued, and has determined that there were no subsequent events requiring adjustment to or disclosure in the financial statements.