

# **BM3EAC Corp.**

**Annual Report**

**For the year ended 31 December 2024**

**BM3EAC Corp.**  
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**31 December 2024**

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## **DIRECTORS' REPORT**

### **Introduction**

BM3EAC Corp. (the “**Company**”), is a listed acquisition vehicle incorporated under the laws of the Cayman Islands. The Company is listed on Euronext Amsterdam, the regulated market operated by Euronext Amsterdam N.V. (“**Euronext Amsterdam**”) and is seeking to effect a merger, share exchange, asset acquisition, share purchase, reorganisation or similar business combination with an operating company, 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.

The Annual Report covers the 1 January 2024 to 31 December 2024 (the “**Reporting Period**”).

### **Background**

The Company maintains its appointments of Brigade Capital UK LLP (“**Brigade UK**”), an affiliate of the Sponsor Entity, as its adviser and ABN AMRO Bank N.V. as its listing and paying agent in connection with its listing on Euronext Amsterdam.

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 held the proceeds of the IPO in an escrow account (the “**Escrow Account**”).

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](http://www.BrigadeM3EAC.com)

## **DIRECTORS' REPORT (CONTINUED)**

The Company had until 14 June 2023 to complete a Business Combination (the “**Business Combination Deadline**”). The Company investigated various potential targets and held explorative talks with a selection of them, but despite extensive efforts the Company was unable to find a suitable business combination target prior to the Business Combination Deadline. Upon reaching the Business Combination Deadline, the board of directors of the Company (the “**Directors**” or the “**Board**”) initiated the redemption of all listed Units and Ordinary Shares in accordance with the terms and conditions in the Company's articles of association and as disclosed in the Company's Prospectus. On 20 June 2023, redemption proceeds were paid to holders of Units and Ordinary Shares using proceeds from the Escrow Account through payment by the Listing Agent, at a price per Unit or Ordinary Share of \$10.20 plus accrued interest of \$9,380,492 equating to \$0.38 per share, following which the Escrow Account was closed. The formal redemption of the Units and Ordinary Shares then took effect on 21 June 2023 and the redeemed Units and Ordinary Shares were transferred to the Company's treasury (the “Redemption”).

In addition, the public warrants and the sponsor warrants automatically expired without value on 15 June 2023 following the Business Combination Deadline, in line with the terms and conditions of the warrants and the disclosure in the Prospectus.

Following the Redemption (and the expiration of the public warrants and the sponsor warrants), the only current outstanding securities of the Company are the sponsor shares, which are held by the Sponsor Entity and certain directors of the Company.

On 9 August 2023, the sponsor shareholders resolved to (i) change the name of the Company to “BM3EAC Corp.”; (ii) redesignate all issued Units held in treasury as Ordinary Shares; (iii) amend the authorised share capital from US\$53,000 to US\$28,000 to reflect the cancellation of the authorised but unissued Units; and (iv) amend and restate the Company's memorandum and articles of association in order to facilitate the re-purposing and continuation of the Company.

On 12 September 2023, the Board resolved to cancel 25,000,000 Ordinary Shares. Following the cancellation, the Company continued to hold the remaining 25,000,000 Ordinary Shares in treasury, available for re-allocating in the future.

In addition, the Sponsor Entity committed additional working capital of \$775,000 to cover the costs associated with the continuation of the Company after the Redemption and during 2024.

## **DIRECTORS' REPORT (CONTINUED)**

### **Business and Financial Developments**

On 21 February 2024, the Company entered into a preliminary term sheet relating to a potential business combination with Arkon Energy (“**Arkon**”). On 7 November 2024, the Company issued a press release announcing that, after careful consideration, the Company and Arkon had determined that the current market conditions were not conducive to proceeding with the potential business combination and that discussions had terminated.

Following the termination of discussions with Arkon, the Sponsor Entity has committed additional working capital of \$725,000 to cover the costs associated with the continuation of the Company during 2025.

Financial summary as at 31 December 2024:

- Bank account balance: \$132,053
- Accumulated losses: (\$777,475)

During the period 1 January 2024 to 31 December 2024, the Company earned interest income of \$5,745 on its cash balance. Additionally, in accordance with the terms of the term sheet agreed with Arkon, the Company received \$400,000 from Arkon to cover costs incurred by the Company in relation to the potential business combination that did not proceed. This amount is included in Other Income on the Statement of Comprehensive Income. The expenses incurred by the Company in the Reporting Period include, amongst others, insurance costs, legal costs, corporate services, accounting and tax advisory costs, and other operating expenses. This has resulted in total comprehensive loss of \$633,608 during the Reporting Period.

### **Strategy and Business Outlook**

The Directors intend for the Company to continue for a temporary period as an acquisition vehicle, listed on Euronext Amsterdam, and believe that the Company provides an efficient route (by way of merger, share exchange or similar) for an operating company to achieve a public market listing and thereby access to public market capital as well as additional private capital. The Directors continue to believe that the experience, capabilities, relationships and track record of the Directors, Brigade and M3 will be instrumental in identifying compelling target companies and implementing a potential business combination. Additionally, the Sponsor Entity has committed to additional capitalization of the Company to support the operations through at least April of 2026. Accordingly, the Company believes it will remain a going concern at least through that date.

**DIRECTORS' REPORT (CONTINUED)**

**Director Information**

The Company was incorporated on 21 April 2021 as an exempted company under the laws of the Cayman Islands with registration 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:

<b>Name</b>	<b>Position</b>
Vijay Rajguru	Executive Director and Chairman 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.

## **DIRECTORS' REPORT (CONTINUED)**

### **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](http://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](http://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](http://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](http://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](http://www.BrigadeM3EAC.com)).

## **DIRECTORS' REPORT (CONTINUED)**

### **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*

Following the redemption of all outstanding Units and Ordinary Shares, as well as the expiry of the warrants, the Directors recognise that the Company is solely owned by the Sponsor Entity and the Directors and that the risks associated with the Company and previously disclosed in the Prospectus should now be read in that context. In particular, the Directors recognise that all risks are currently borne solely by the Sponsor Entity and the Directors, who are fully cognizant of the 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](http://www.BrigadeM3EAC.com)), which discloses what the Directors believe are the most material risks concerning the Company’s business, 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.



**DIRECTORS' REPORT (CONTINUED)**

<b>Risk category</b>	<b>Risk description</b>	<b>Potential impact</b>
<b>Strategic</b>	The Company may face significant competition for Business Combination opportunities	High
<b>Strategic</b>	There is no assurance that the Company will identify suitable Business Combination opportunities	High
<b>Financial</b>	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	High
<b>Financial</b>	If the Company's working capital is insufficient, it could inhibit the Company's search for a target business and therefore the ability to complete a Business Combination	High
<b>Operational</b>	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	High
<b>Operational</b>	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
<b>Operational</b>	Harm to the reputation of the Company, the Sponsor Entity (or any of its affiliates) or the Directors may materially adversely affect the Company	Medium
<b>Operational</b>	The Company is reliant on the continuation of certain service provider appointments, including advisors, legal counsel, auditor, listing agent and others. In the event of termination of any such appointments, the Company would need to appoint replacement service providers	Medium

*Risk Management*

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

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 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.

## **DIRECTORS' REPORT (CONTINUED)**

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, therefore, it is appropriate to adopt the going concern basis in preparing the financial statements. This opinion is based on the fact that the Board remains focused on completing a Business Combination and the Sponsor Entity has committed additional working capital sufficient to cover the Company's operations for at least the next 12 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 Reporting Period, the Company has not identified any major failings in its internal risk management and control system.

### **2024 Audited Financial Statements ("Financial Statements")**

The Directors have reviewed and discussed the December 2024 Financial Statements.

The Directors believe the December 2024 Financial Statements of the Company meet all requirements for correctness and transparency.

On behalf of the Directors

Vijay Rajguru  
Chairman

11 April 2025

## **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:

<b>Name</b>	<b>Position</b>
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 Entity 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:

<b>Name</b>	<b>Position</b>	<b>Sponsor Shares</b>
Vijay Rajguru	Executive Director and chairman of the Board	25,000
Rosalía Portela	Executive Director	20,000
Steven P. Vincent	Non-Executive Director	-
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 Annual Directors' Report, the Non-Executive Directors' Report, the Remuneration Report, the Annual 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 IFRS Accounting 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 Annual Financial Statements do not contain any errors of material importance.

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

- the Annual 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 Annual 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 Annual 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 Reporting Period 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.

As noted in the Director's Report, 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  
Vijay Rajguru  
Chairman  
11 April 2025



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## **Independent Auditors' Report to the Shareholders of BM3EAC Corp.**

### ***Opinion***

We have audited the financial statements of BM3EAC Corp. (the “Company”), which comprise the statement of financial position as at 31 December 2024, the statements of comprehensive income, changes in shareholders' equity, and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”).

### ***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 International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***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 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:

Going concern

Refer to page 22 (accounting policy)

<b>Description of key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>Events and conditions that may cast significant doubt on the Company's ability to continue as a going concern have been identified. Current liabilities exceed the Company's cash balance.</p> <p>Having considered all of the relevant information, including support from the Sponsor Entity, the Company has concluded that there are no material uncertainties that require disclosure.</p> <p>There is a significant risk of error relating to going concern given the judgmental nature of the matters that require consideration by the Company and those charged with governance.</p>	<p>The procedures we undertook included:</p> <ul style="list-style-type: none"> <li>• Evaluating whether the period of the Company's assessment was appropriate, and whether the assessment included all relevant information that has come to our attention during the audit;</li> <li>• Evaluating whether the Company's plans for future actions, including whether assumptions are realistic, achievable and consistent with other evidence, and whether data used is reliable and relevant;</li> <li>• Remaining alert to events or conditions that may cast doubt on the Company's ability to continue as a going concern, including those beyond the Company's assessment; and</li> <li>• Concluding on the appropriateness of the Company's use of the going concern basis of accounting, and the adequacy of financial statement disclosures.</li> </ul> <p>Based on our assessment of information obtained from our procedures, we concluded that the Company's use of the going concern assumption appears appropriate in the preparation and presentation of the financial statements and that the events or conditions identified do not constitute a material uncertainty.</p>



### ***Other Information***

Management is responsible for the other information. The other information comprises the information included in the Directors' Report and Statement of Directors' Responsibility, 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 Accounting Standards, 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 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 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.





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 LLP

Cayman Islands  
11 April 2025

**BM3EAC Corp.**  
**Statement of Financial Position**  
**31 December 2024**

	Note	2024 \$	2023 \$
<b>Assets</b>			
Cash	3	132,053	35,590
Prepayments		49,978	180
<b>Total assets</b>		<b>182,031</b>	<b>35,770</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>			
Share capital	5	625	625
Accumulated losses		(777,475)	(143,867)
<b>Total shareholders' equity</b>		<b>(776,850)</b>	<b>(143,242)</b>
<b>Liabilities</b>			
Promissory note	10	775,000	-
Accrued interest on promissory note	10	46,151	-
Accrued expenses		137,730	179,012
<b>Total liabilities</b>		<b>958,881</b>	<b>179,012</b>
<b>Total shareholders' equity and liabilities</b>		<b>182,031</b>	<b>35,770</b>

The notes on pages 20 to 35 form an integral part of these financial statements.

**BM3EAC Corp.**  
**Statement of Comprehensive Income**  
**For the year ended 31 December 2024**

	Note	2024 \$	2023 \$
<b>Income</b>			
Other income	6	400,000	215
Interest income, net		5,745	6,315,158
Net change in unrealised losses on financial assets and liabilities at fair value through profit or loss		-	(13,079,000)
Realised gains on financial assets and liabilities at fair value through profit or loss		-	21,100,000
<b>Total income</b>		<b>405,745</b>	<b>14,336,373</b>
<b>Expenses</b>			
Operational expenses	7	993,202	908,298
Interest expense on promissory note	10	46,151	-
Interest expense calculated using the effective interest method		-	8,816,525
<b>Total expenses</b>		<b>1,039,353</b>	<b>9,724,823</b>
<b>Net (loss)/income for the year</b>		<b>(633,608)</b>	<b>4,611,550</b>
<b>Total comprehensive income for year</b>		<b>(633,608)</b>	<b>4,611,550</b>
Basic (loss)/earnings per share	9	\$(0.10)	\$0.74
Diluted (loss)/earnings per share	9	\$(0.10)	\$0.74

The notes on pages 20 to 35 form an integral part of these financial statements.

**BM3EAC Corp.**  
**Statement of Changes in Shareholders' Equity**  
**For the year ended 31 December 2024**

	Share capital	Accumulated losses	Total
	\$	\$	\$
<b>Opening balance – 1 January 2023</b>	<b>625</b>	<b>(4,755,417)</b>	<b>(4,754,792)</b>
Comprehensive income for the year	-	4,611,550	4,611,550
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>4,611,550</b>	<b>4,611,550</b>
<b>Closing balance – 31 December 2023</b>	<b>625</b>	<b>(143,867)</b>	<b>(143,242)</b>
Comprehensive income for the year	-	(633,608)	(633,608)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(633,608)</b>	<b>(633,608)</b>
<b>Closing balance – 31 December 2024</b>	<b>625</b>	<b>(777,475)</b>	<b>(776,850)</b>

The notes on pages 20 to 35 form an integral part of these financial statements.

**BM3EAC Corp.**  
**Statement of Cash Flows**  
**For the year ended 31 December 2024**

	2024	2023
	\$	\$
<b>Cash flows from operating activities:</b>		
Net (loss)/income for the year	(633,608)	4,611,550
<b>Adjustments to reconcile net (loss)/income for the year to net cash (used in)/generated from operating activities:</b>		
<i>Adjustment for:</i>		
Net change in unrealised losses on financial assets and liabilities at fair value through profit or loss	-	13,079,000
Realised gains on financial assets and liabilities at fair value through profit or loss	-	(21,100,000)
Interest expense calculated using the effective interest method	-	8,816,525
Interest income, net	(5,745)	-
<i>Changes in:</i>		
Prepayments	(49,798)	571,382
Accrued interest on promissory note	46,151	-
Accrued expenses	(41,282)	(2,990)
Interest received, net	5,745	-
<b>Net cash (used in)/generated from operating activities</b>	<b>(678,537)</b>	<b>5,975,467</b>
<b>Cash flows from investing activities:</b>		
Deposit of interest income on Escrow Account	-	(6,309,709)
Withdrawal from Escrow Account towards redemption of Units and Redeemable Ordinary Shares	-	264,380,492
<b>Net cash generated from investing activities</b>	<b>-</b>	<b>258,070,783</b>
<b>Cash flows from financing activities:</b>		
Redemption of Units and Redeemable Ordinary Shares	-	(264,380,492)
Proceeds from promissory note	775,000	-
<b>Net cash generated from/(used in) financing activities</b>	<b>775,000</b>	<b>(264,380,492)</b>
<b>Net change in cash</b>	<b>96,463</b>	<b>(334,242)</b>
Cash at beginning of the year	35,590	369,832
<b>Cash at end of the year</b>	<b>132,053</b>	<b>35,590</b>

The notes on pages 20 to 35 form an integral part of these financial statements.

**BM3EAC Corp.**  
**Notes to the Financial Statements**  
**31 December 2024**

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**1. General information**

BM3EAC Corp. (the “Company”) is an exempted company incorporated under the laws of the Cayman Islands on 21 April 2021. The Company is registered as exempted because its objects are to be carried out mainly outside the Cayman Islands. The Company was initially a special purpose acquisition company, 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.

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 was listed on the Euronext Amsterdam Stock Exchange (“Euronext Amsterdam”) as of 8 December 2021, having raised \$250,000,000 in its IPO of 25,000,000 Units at \$10 per Unit (the “Offering”), and remains listed. An over-allotment option existed but was not exercised. These proceeds were placed in an Escrow Account as outlined in the Prospectus. Each Unit was exchangeable for one (1) redeemable Ordinary Share and one-half (½) of a public warrant.

The Company had until 14 June 2023 (“Settlement Date”) to complete a Business Combination, (the “Business Combination Deadline”). The Company investigated various potential targets and held explorative talks with a selection of them, and despite extensive efforts the Company was unable to find a suitable business combination target prior to the Business Combination Deadline.

Effective 14 June 2023, the Company initiated the redemption (the “Redemption”) of all Units and Ordinary Shares (together, the “Public Shares”), in accordance with the terms and conditions in the Company's articles of association and as disclosed in the Company's Prospectus. The redemption proceeds held in the Escrow Account were returned to the shareholders at a per-share price of \$10.20 plus accrued interest of \$9,380,492 equating to \$0.38 per share on 20 June 2023, following which the Escrow Account was closed. The formal redemption of the Units and Ordinary Shares then took effect on 21 June 2023 and the redeemed Units and Ordinary Shares were transferred to the Company's treasury. Additionally, the public warrants and the sponsor warrants (together, the “Warrants”) were automatically expired without value on 15 June 2023 following the Business Combination Deadline, in line with the terms and conditions of the Warrants and the disclosure in the Prospectus. Lastly, following the Business Combination Deadline, the Forward Purchase Agreement expired without having been exercised. Following the redemption of the Units and Ordinary Shares (and the expiration of the public warrants and the sponsor warrants), the only current outstanding securities of the Company are the sponsor shares, held by the Sponsor Entity and certain Directors of the Company. With the support of the Sponsor Entity, the Directors intend for the Company to continue as a repurposed acquisition vehicle, remaining listed on Euronext Amsterdam, in the belief that the Company provides an efficient route (by way of merger, share exchange or similar) for an operating company to achieve a public market listing and thereby access to public market capital as well as additional private capital.

**1. General information (continued)**

On 9 August 2023, the holders of the Sponsor Shares in the Company resolved to (i) change the name of the Company to “BM3EAC Corp.”; (ii) redesignate all issued Units held in treasury as Ordinary Shares; (iii) amend the authorised share capital from US\$53,000 to US\$28,000 to reflect the cancellation of the authorised but unissued Units; and (iv) amend and restate the Company’s memorandum and articles of association in order to facilitate the re-positing and continuation of the Company.

On 12 September 2023, the Board resolved to cancel 25,000,000 Ordinary Shares. Following the cancellation, the Company continues to hold the remaining 25,000,000 Ordinary Shares in treasury, available for re-allocating in the future.

On 21 February 2024, the Company entered into a preliminary term sheet relating to a potential business combination with Arkon Energy (“Arkon”). On 7 November 2024, the Company issued a press release announcing that, after careful consideration, the Company and Arkon had determined that the current market conditions were not conducive to proceeding with the potential business combination and that discussions had terminated.

The Company has no employees as at 31 December 2024 and 31 December 2023.

**2. Summary of material 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 year ended 31 December 2024 have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) 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 1 January 2024 to 31 December 2024. The Company’s statutory financial year end is 31 December.

## **2. Summary of material accounting policies (continued)**

### **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 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.

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

### **2.3 Going concern**

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

With the support of the Sponsor Entity, the Directors intend for the Company to continue as a repurposed acquisition vehicle for at least, but not limited to, 12 months from the end of the Reporting Period, remaining listed on Euronext Amsterdam, and in the belief that the Company provides an efficient route (by way of merger, share exchange or similar) for an operating company to achieve a public market listing and thereby access to public market capital as well as additional private capital. The Directors continue to believe that the experience, capabilities, relationships and track record of the Directors, Brigade and M3 will be instrumental in identifying compelling target companies. Furthermore, while current liabilities exceed the Company's cash balance, the Company has entered into a promissory note with the Sponsor Entity to provide additional funding required to continue operations. Accordingly, the Sponsor Entity is committed to keeping the Company capitalized for at least, but not limited to, 12 months from the end of the Reporting Period on the basis there continues to be a business purpose for keeping the Company in operations.

There is a reasonable expectation that the Company will be able to continue its operations and meet its liabilities, therefore, it is appropriate to adopt the going concern basis in preparing the financial statements. This opinion is based on the fact that the Board remains focused on completing a Business Combination and the Sponsor Entity has committed additional working capital sufficient to cover the Company's operations for at least, but not limited to, the next 12 months.



## **2. Summary of material accounting policies (continued)**

### **2.4 New accounting developments**

IFRS 18 will be effective for annual reporting periods beginning on or after 1 January 2027 and will apply retrospectively, with early adoption being permitted. The Company has not yet early adopted this pronouncement and will continue to assess its impact on the Company's financial condition and results of operations.

### **2.5 Functional and presentation 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.

### **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.

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.

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.

#### **(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.

**2. Summary of material accounting policies (continued)**

**2.6 Financial instruments (continued)**

**(ii) Classification and subsequent measurement (continued)**

**Financial assets (continued)**

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 the statement of comprehensive income. Any gain or loss on derecognition is recognised in the statement of comprehensive income.

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 the statement of comprehensive income.

Financial assets measured at amortized cost include cash.

**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 the statement of comprehensive income.

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 the statement of comprehensive income. Any gain or loss on derecognition is also recognised in the statement of comprehensive income.

Financial liabilities measured at amortized cost include promissory note, accrued interest on promissory note and accrued expenses.

**(iii) Amortised cost**

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

## 2. Summary of material accounting policies (continued)

### 2.6 Financial instruments (continued)

#### (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 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.

#### (v) 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.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of comprehensive income. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

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. Summary of material accounting policies (continued)**

### **2.7 Cash**

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

### **2.8 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.

### **2.9 Redeemable ordinary shares**

Redeemable Ordinary Shares, to the extent not in treasury, are redeemable at the shareholder's option and would be classified as financial liabilities. As at 31 December 2024, all Redeemable Ordinary Shares are in treasury.

### **2.10 Sponsor shares**

Sponsor Shares are not redeemable, 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.

### **2.11 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 net within dividend income, interest income and investment income, as applicable, in the statement of comprehensive income.

### **2.12 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

**2. Summary of material accounting policies (continued)**

**2.12 Related parties (continued)**

- (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).

**3. Cash**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Current account	132,053	35,590
<b>Total cash</b>	<b>132,053</b>	<b>35,590</b>

The amounts available to the Company in the current account are used to fund the operational costs related to working capital and search for a company or business for a Business Combination.

**4. 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 year to the manner in which these risks are managed and measured.

**4.1 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 2024 and 2023, the Company held cash in an interest-bearing account and holds a promissory note with interest expense that is subject to floating interest rates. As such, the Company was 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.

**BM3EAC Corp.**  
**Notes to the Financial Statements**  
**31 December 2024**

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**4. Financial risk management (continued)**

**4.2 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.

As at 31 December 2024, the cash available in the current account, amounting to \$132,053 (2023: \$35,590), will be used to settle the operational costs of the Company. Furthermore, while current liabilities exceed the Company's cash balance, the Company has a promissory note with the Sponsor Entity to provide additional funding to continue operations. As of 31 December 2024, \$775,000 has been borrowed under the promissory note. Additionally, the Sponsor Entity has committed additional working capital of \$725,000 to cover the costs associated with the continuation of the Company during 2025.

The table below summarises the maturity profile of the Company's financial assets and liabilities as at 31 December 2024.

	<b>Less than 3 months \$</b>	<b>3 - 12 months \$</b>	<b>12 - 18 months \$</b>	<b>No stated maturity \$</b>	<b>Total \$</b>
<b>Assets</b>					
Cash	132,053	-	-	-	132,053
	132,053	-	-	-	132,053
<b>Liabilities</b>					
Promissory note	-	-	-	775,000	775,000
Accrued interest on promissory note	-	-	-	46,151	46,151
Accrued expenses	-	137,730	-	-	137,730
	-	137,730	-	821,151	958,881
<b>Net liquidity position</b>	132,053	(137,730)	-	(821,151)	(826,828)

**BM3EAC Corp.**  
**Notes to the Financial Statements**  
**31 December 2024**

**4. Financial risk management (continued)**

**4.2 Liquidity risk management (continued)**

The table below summarises the maturity profile of the Company's financial assets and liabilities as at 31 December 2023.

	Less than 3 months \$	3 - 12 months \$	12 - 18 months \$	Total \$
<b>Assets</b>				
Cash	35,590	-	-	35,590
	35,590	-	-	35,590
<b>Liabilities</b>				
Accrued expenses	-	179,012	-	179,012
	-	179,012	-	179,012
<b>Net liquidity position</b>	35,590	(179,012)	-	(143,422)

As at 31 December 2024, the Company has a net liquidity deficit of \$826,828 (2023: \$143,422). The main drivers of such deficit are the ongoing expenses associated with operating the Company.

**4.3 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 assets of the Company comprise of cash held in a custodian account with Goldman Sachs as at 31 December 2024 and 31 December 2023. The probability of default of the custodian is deemed low based on the following credit ratings as at 31 December 2024 and 31 December 2023:

	Balance as at 31 December 2024 (\$)	Moody's	Standard & Poor's	Fitch
Goldman Sachs	132,053	A2	BBB+	A
	<b>132,053</b>			
	Balance as at 31 December 2023 (\$)	Moody's	Standard & Poor's	Fitch
Goldman Sachs	35,590	A2	BBB+	A
	<b>35,590</b>			

**4. Financial risk management (continued)**

**4.3 Credit risk management (continued)**

**Counterparty risk**

As at 31 December 2024 and 31 December 2023, the Company is not exposed to counterparty risks.

**4.4 Capital risk management**

The Sponsor Entity has committed to provide working capital sufficient to cover the operations of the Company, as disclosed in note 2.3.

**5. Capital instruments**

**5.1 Authorised share capital**

The authorised share capital of the Company at 31 December 2024 is \$28,000 divided into 250,000,000 Redeemable Ordinary Shares of a par value of \$0.0001 each, and 30,000,000 Sponsor Shares of a par value of \$0.0001 each.

**5.2 Sponsor shares**

The only outstanding shares of the Company are the 6,250,000 Sponsor Shares, held by the Sponsor Entity and certain Directors of the Company as at 31 December 2024.

The Sponsor Shares automatically convert on a one-for-one basis into Redeemable Ordinary Shares upon a business combination.

The Sponsor Shares rank pari passu with each other (and the Redeemable Ordinary Shares, when outstanding), and holders of the Sponsor Shares are 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. The Sponsor Shares will not be admitted to listing or trading on any trading platform.



**BM3EAC Corp.**  
Notes to the Financial Statements  
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**5. Capital instruments (continued)**

**5.3 Treasury**

All Redeemable Ordinary Shares are held in Treasury. As these 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.

<b>Financial instruments held in treasury as at</b>	<b>2024</b>	<b>2023</b>
Redeemable Ordinary Shares	25,000,000	25,000,000

  

<b>Redeemable ordinary shares held in treasury as at</b>	<b>2024</b>	<b>2023</b>
Opening balance – 1 January	25,000,000	11,568,860
Movement	-	13,431,140
Closing balance – 31 December	25,000,000	25,000,000

**6. Other income**

Other income relates to cost reimbursements the Company received amounting to \$400,000 from Arkon to cover for costs incurred by the Company in relation to the potential business combination that did not proceed.

**7. Operating costs**

Total operating costs for the year ended 31 December 2024 amounted to \$993,202 (2023: \$908,298), which includes insurance expense of \$243,547 (2023: \$587,540) and audit fees of \$75,000 (2023: \$75,000).

**8. Dividends**

No dividends were paid or declared by the Company during the year ended 31 December 2024 and 31 December 2023.

**BM3EAC Corp.**  
**Notes to the Financial Statements**  
**31 December 2024**

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**9. Net (loss)/earnings per share**

**9.1. Basic net (loss)/earnings per share**

	2024	2023
	\$	\$
<b>Numerator</b>		
Net (loss)/earnings for the year used in basic (loss)/earnings per share	(633,608)	4,611,550
Total net (loss)/earnings for the year used in basic (loss)/earnings per share	(633,608)	4,611,550
<b>Denominator</b>		
Weighted average number of Sponsor Shares used in basic (loss)/earnings per share	6,250,000	6,250,000
Total weighted average number of Sponsor Shares used in basic (loss)/earnings per share	6,250,000	6,250,000

**9.2. Diluted net (loss)/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 2024 (2023: None). As a result, diluted (loss)/earnings per share is deemed to be the same as basic (loss)/earnings per share as at 31 December 2024 and 31 December 2023.

**10. Promissory note**

On 21 January 2024, the Company entered into a promissory note with the Sponsor Entity to borrow an amount up to \$775,000. Interest accrues on the unpaid and non-compounded principal borrowed amount at the rate of the six month Term SOFR rate plus 350 basis points per annum. Such rate is determined as of the date of the promissory note and resets every 180 calendar days thereafter. Interest accruing on the principal amount shall be payable monthly, in arrears, on the last day of each calendar month, commencing after the Maturity Date (defined as follows). The entire principal balance owing hereunder, together with all accrued but unpaid interest thereon, shall be payable on the earliest of (i) the date of demand for repayment by the Sponsor Entity; and (ii) the date upon which the Company consummates its initial business combination (the earliest of such dates, the “Maturity Date”). As of 31 December 2024, the Company has borrowed \$775,000 under the promissory note, for which it incurred and owes interest of \$46,151 to the Sponsor Entity.

**BM3EAC Corp.**  
**Notes to the Financial Statements**  
**31 December 2024**

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**11. Related party transactions**

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

Subsequent to the redemption of Units and Redeemable Ordinary Shares, the Sponsor Shares carry voting rights of 100% of total shares eligible to vote, of which the directors hold 1.7% (2023: 1.7%).

As noted in note 10, the Sponsor Entity has lent the Company \$775,000 in 2024 under a promissory note.

There were no other related party transactions for the year ended 31 December 2024 and 31 December 2023 as illustrated below:

<b>31 December 2024 (2023: same)</b>	<b>Number of Shares, beginning of year</b>	<b>Change in Shares during the year</b>	<b>Number of Shares, end of year</b>
<b><u>Sponsor shares</u></b>			
Brigade SPAC Sponsor II LLC	6,145,000	-	6,145,000
Vijay Rajguru (Executive director and chairman)	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
	<b>6,250,000</b>	<b>-</b>	<b>6,250,000</b>

**BM3EAC Corp.**  
**Notes to the Financial Statements**  
**31 December 2024**

**12. 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 as at 31 December 2024 and 31 December 2023.

<b>31 December 2024</b>	<b>Carrying Value</b>	<b>Fair Value</b>	<b>Fair value hierarchy level</b>
<b>Financial assets measured at amortised cost</b>			
Cash	132,053	132,053	Level 1
	<b>132,053</b>	<b>132,053</b>	
<b>Financial liabilities measured at amortised cost</b>			
Promissory note	775,000	775,000	Level 2
Accrued interest on promissory note	46,151	46,151	Level 2
Accrued expenses	137,730	137,730	Level 2
	<b>958,881</b>	<b>958,881</b>	
<b>31 December 2023</b>			
	<b>Carrying Value</b>	<b>Fair Value</b>	<b>Fair value hierarchy level</b>
<b>Financial assets measured at amortised cost</b>			
Cash	35,590	35,590	Level 1
	35,590	35,590	
<b>Financial liabilities measured at amortised cost</b>			
Accrued expenses	179,012	179,012	Level 2
	179,012	179,012	

As at 31 December 2024 and 31 December 2023, the Company did not hold any financial assets and liabilities measured at fair value.

**13. Subsequent events**

The Company has evaluated the effect of all subsequent events occurring through 11 April 2025, the date the financial statements were available to be issued.

On 1 January 2025, the Company entered into a second promissory note with the Sponsor Entity to borrow an amount up to an additional \$725,000. Interest shall accrue on the unpaid and non-compounded principal borrowed amount at the rate of the six month Term SOFR rate plus 350 basis points per annum. Such rate is determined as of the date of the promissory note and resets every 180 calendar days thereafter. Interest accruing on the principal amount shall be payable monthly, in arrears, on the last day of each calendar month, commencing after the Maturity Date (defined as follows). The entire principal balance owing hereunder, together with all accrued but unpaid interest thereon, shall be payable on the earliest of (i) the date of demand for repayment by the Sponsor Entity; and (ii) the date upon which the Company consummates its initial business combination (the earliest of such dates, the “Maturity Date”). As of 11 April 2025, the Company has borrowed \$150,000 under the promissory note.