

# **Iris Financial**

**Annual Report and Audited Financial Statements**

**For the year ended December 31, 2023**

# Iris Financial

December 31, 2023

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# **Iris Financial**

## **Directors' Report**

**December 31, 2023**

### **About Iris Financial**

Iris Financial (formerly RA Special Acquisition Corporation) (the “Company”) is a special purpose acquisition company incorporated under the laws of the Cayman Islands as an exempted company on February 18, 2021 for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganisation or similar business combination (“Business Combination”) with a target business that operates in the financial services industry with principal business operations in or around Europe (though the Company’s efforts will not be limited to that particular industry or geography).

The Company was founded by Ripplewood Holdings I LLC (the “Sponsor Entity”), an affiliate of Ripplewood Advisors LLC, a long-established investor in the financial services sector.

More information about the Company, including the Company’s initial public offering (“IPO”) and related prospectus (the “Prospectus”), which was approved by the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) on April 26, 2022 can be found on the Company’s website.

### **Overview**

The Company was listed on the Euronext Amsterdam Stock Exchange as of April 28, 2022, having raised \$230,000,000 in its IPO of 23,000,000 Units at \$10.00 per Unit. These proceeds were held in an escrow account opened by the Company with Citibank Europe Public Limited Company (“Escrow Account”) as outlined in the Prospectus.

Since completion of its IPO, the Company’s leadership team has been focused on identifying a potential target for the Business Combination. The process is ongoing and the Company will continue its search with the aim to complete a Business Combination by November 2, 2024. The original deadline was May 2, 2024, but was extended by six months following the Company’s shareholders approving a resolution to extend this period at an extraordinary general meeting held on April 19, 2024.

### **Escrow Account**

The total gross proceeds of the IPO of \$230,000,000 are held in an Escrow Account. These funds plus the amount of interest accrued are available to the Company for the facilitation of the Business Combination.

### **Costs**

The proceeds raised through the sale of the Sponsor Warrants in the amount of \$7,000,000 is held outside the Escrow Account and is being used to cover the costs of the search for a company or business for a Business Combination and other operating costs.

The Sponsor Entity also committed up to \$2,000,000 in loans to the Company for the purpose of funding the Company’s ongoing working capital requirements. During the year ended December 31, 2023, \$300,000 had been drawn from this facility. On March 27, 2024, the remaining \$1,700,000 was drawn from this facility.

# **Iris Financial**

## **Directors' Report (continued)**

**December 31, 2023**

### **Going concern**

Given the short time remaining to the Revised Business Combination Deadline and challenging market conditions (inclusive of competition and potential geopolitical events), there is material uncertainty regarding the Company's ability to continue as a going concern - that is, whether it will be able to achieve its objectives not limited to 12 months from the date of these financial statements. Reaching the conclusion that there is material uncertainty involves significant judgement.

Nevertheless, management remain focused on completing a Business Combination by November 2, 2024. Therefore, the accompanying financial statements have been prepared on a going concern basis and do not include any adjustments that might arise as a result of uncertainties about the Company's ability to continue as a going concern. Refer to Note 2.3 within the audited financial statements for further details.

### **Other Risks and Uncertainties**

Please refer to the following sections of the Prospectus for the Company's principal risks and uncertainties, which in the Company's view remain essentially unchanged for the year ended 31 December 2023: (i) Part II - Risk Factors (pages 8 – 35) and (ii) Cautionary Note Regarding Forward-Looking Statements (pages 42 and 43).

The Company's risk management objectives and policies are consistent with those described in the Prospectus. Additional risks or circumstances not known to the Company, or currently believed not to be material, could individually or cumulatively, later turn out to have a material impact on the Company's business, revenue, assets, liquidity, capital resources or net income.

### **Related Party Transactions**

Refer to Note 16 – Related Party Transactions for disclosure within the audited financial statements.

### **Statement of Directors' Responsibilities**

The Board of Directors of the Company (the "Board") hereby declares that to the best of its knowledge, these 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 and this Board report includes a fair review of the information required pursuant to section 5:25c(2)(c)(2<sup>o</sup>) of the Dutch Financial Supervision Act (Wet op het financieel toezicht).

Elizabeth Critchley (Chief Executive Officer and Director)  
Timothy C. Collins (Chairman)  
Tom Isaac (Chief Operating Officer and Director)  
Sergi Herrero (Non-Executive Director)  
Ismaël Emelien (Non-Executive Director)  
Rodney O'Neal (Non-Executive Director)  
Sally Tennant (Non-Executive Director)

April 29, 2024



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**Independent Auditors' Report to the To the Board of Directors and Shareholders of Iris Financial**

***Opinion***

We have audited the financial statements of Iris Financial (the “Company”), which comprise the statement of financial position as at December 31, 2023, the statements of comprehensive income, changes in shareholders’ (deficit)/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 December 31, 2023, 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.

***Material Uncertainty Related to Going Concern***

We draw attention to Note 2.3 of the financial statements, which indicates that the Company has less than 12 months to complete an initial business combination for which significant contingencies to completion exist. As stated in Note 2.3, these conditions along with other matters as set forth in Note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in the respect of this matter.

***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. Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

As of 1 October 2023, KPMG, which was constituted as a general partnership under the laws of the Cayman Islands, converted to a limited liability partnership registered in the Cayman Islands as KPMG LLP.

KPMG LLP, a Cayman Islands limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

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**Independent Auditors' Report to the To the Board of Directors and Shareholders of Iris Financial (continued)**

***Other Information***

Management is responsible for the other information. The other information comprises the information included in the Directors' Report and Statement of Directors' Responsibilities 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.



**Independent Auditors' Report to the To the Board of Directors and Shareholders of Iris Financial (continued)**

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

- 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 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 including in the reporting package of 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.



**Independent Auditors' Report to the To the Board of Directors and Shareholders of Iris Financial (continued)**

***Report on Other Legal and Regulatory Requirements (continued)***

*European Single Electronic Format (ESEF) (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 LLP*

Cayman Islands

April 29, 2024



# Iris Financial

## Statement of Financial Position

At December 31, 2023

In USD

	Notes	At December 31, 2023	At December 31, 2022
<b>Assets</b>			
<b>Current assets</b>			
Cash	4	376,653	3,226,581
Escrow Account	5	245,693,734	233,674,798
Prepayments		80,833	165,951
Other receivables		4,658	4,975
<b>Total assets</b>		<u>246,155,878</u>	<u>237,072,305</u>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>			
Share capital	8	575	575
Share premium	8, 10	24,425	24,425
Retained (deficit) / equity		(1,354,164)	3,729,704
<b>Total Shareholders' (deficit) / equity</b>		<u>(1,329,164)</u>	<u>3,754,704</u>
<b>Liabilities</b>			
Accounts payable and accrued expenses not due to affiliates		753,374	524,553
Accounts payable and accrued expenses due to affiliates	16	517,942	167,190
Units	3, 8.4	186,433,224	232,065,858
Ordinary Shares	8.5	59,559,069	-
Public Warrant Liabilities at fair value through profit or loss	3, 8.6	46,433	-
Sponsor Warrant liabilities at fair value through profit or loss	3, 8.7	175,000	560,000
<b>Total liabilities</b>		<u>247,485,042</u>	<u>233,317,601</u>
<b>Total Shareholders' (deficit) / equity and liabilities</b>		<u>246,155,878</u>	<u>237,072,305</u>

The accompanying notes are an integral part of these financial statements.

# Iris Financial

## Statement of Comprehensive Income

For the year ended December 31, 2023

In USD

	Notes	2023	2022
<b>Income</b>			
Net unrealised gains on financial liabilities at fair value through profit or loss	3	806,666	9,736,667
Interest income from Escrow Account	5	12,018,936	3,674,798
Interest income		<u>37,209</u>	<u>4,975</u>
		12,862,811	13,416,440
<b>Expenses</b>			
Interest expense calculated using the effective interest method	8	(14,394,534)	(7,697,280)
Operational expenses	11	<u>(3,552,145)</u>	<u>(1,902,469)</u>
		(17,946,679)	(9,599,749)
<b>Net (loss) / profit for the year</b>		<u>(5,083,868)</u>	<u>3,816,691</u>
<b>Total comprehensive income for the year</b>		<u>(5,083,868)</u>	<u>3,816,691</u>
<b>(Losses) / Earnings</b>			
Basic (losses) / earnings per share	13	<u>(0.88)</u>	<u>0.62</u>
Diluted (losses) / earnings per share	13	<u>(0.88)</u>	<u>0.62</u>

The accompanying notes are an integral part of these financial statements.

# Iris Financial

## Statement of Changes in Shareholders' (Deficit) / Equity

For the year ended December 31, 2023

In USD, except for share count

	Notes	Shares	Share capital	Share premium	Retained (deficit) / earnings	Total Shareholders' (deficit) / equity
<b>January 1, 2022</b>		7,187,500	\$ 719	\$ 24,281	\$ (86,987)	\$ (61,987)
Cancellation of Sponsor Shares <sup>(1)</sup>	8.1	(1,437,500)	(144)	144	-	-
Comprehensive income for the year		-	-	-	3,816,691	3,816,691
<b>December 31, 2022</b>		<b>5,750,000</b>	<b>\$ 575</b>	<b>\$ 24,425</b>	<b>\$ 3,729,704</b>	<b>\$ 3,754,704</b>
<b>January 1, 2023</b>		<b>5,750,000</b>	<b>\$ 575</b>	<b>\$ 24,425</b>	<b>\$ 3,729,704</b>	<b>\$ 3,754,704</b>
Comprehensive income for the year		-	-	-	(5,083,868)	(5,083,868)
<b>December 31, 2023</b>		<b>5,750,000</b>	<b>\$ 575</b>	<b>\$ 24,425</b>	<b>\$ (1,354,164)</b>	<b>\$ (1,329,164)</b>

(1) An aggregate of 937,500 Sponsor Shares were cancelled by the Company on March 21, 2022, and 500,000 Sponsor Shares were cancelled by the Company on April 27, 2022.

The accompanying notes are an integral part of these financial statements.

# Iris Financial

## Statement of Cash Flows

For the year ended December 31, 2023  
In USD

	2023	2022
<b>Cash flows from operating activities</b>		
Net (loss) / profit for the year	(5,083,868)	3,816,691
<b>Adjustments to reconcile net (loss) / profit for the year to net cash from operating activities</b>		
<i>Increase in or Decrease in:</i>		
Prepayments	85,118	(165,576)
Other receivables	317	(4,975)
Accounts payable and accrued expenses not due to affiliates	228,821	(156,284)
Accounts payable and accrued expenses due to Affiliates	350,752	160,711
Deferred offering costs	-	599,954
Interest received	12,056,145	3,674,798
<i>Adjustments for:</i>		
Interest income	(12,056,145)	(3,674,798)
Interest expense calculated using the effective interest method	14,394,534	7,697,280
Proceeds from Promissory note	(300,000)	-
Net unrealised gains on financial liabilities at fair value through profit or loss	(806,666)	(9,736,667)
<b>Net cash from operating activities</b>	<b>8,869,008</b>	<b>2,211,134</b>
<b>Cash flows used in investing activities</b>		
Deposit in Escrow Account of proceeds from issuance of Units	-	(230,000,000)
Deposit of interest income to Escrow Account	(12,018,936)	(3,674,798)
<b>Net cash used in investing activities</b>	<b>(12,018,936)</b>	<b>(233,674,798)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of Units	-	230,000,000
Proceeds from issuance of Sponsor Shares	-	-
Proceeds from issuance of Sponsor Warrants	-	7,000,000
Proceeds from Promissory note	300,000	-
Offering costs	-	(2,334,754)
<b>Net cash from financing activities</b>	<b>300,000</b>	<b>234,665,246</b>
<b>Net change in cash</b>	<b>(2,849,928)</b>	<b>3,201,581</b>
Cash at beginning of year	3,226,581	25,000
Cash at end of year	376,653	3,226,581

The accompanying notes are an integral part of these financial statements.

# Iris Financial

## Notes to Financial Statements

December 31, 2023

### 1. General information

Iris Financial (formerly RA Special Acquisition Corporation) (“the Company”) is an exempted company incorporated under the laws of the Cayman Islands. The Company name was changed on May 26, 2023 following a shareholder vote. The Company is a special purpose acquisition company formed for the purpose of completing a merger, share exchange, asset acquisition, share purchase, reorganisation or similar business combination (“Business Combination”) with a business that operates in the financial services sector with principal business operations in or around Europe, though the Company’s efforts will not be limited to that particular industry or geography.

The Company’s registered office is at Harbour Place, 103 South Church Street, P.O. Box 10240, KY1-1002, Grand Cayman, Cayman Islands and its Legal Entity Identifier is 635400S8ULWD83POUJ40. The Company was incorporated on February 18, 2021 and its statutory financial year is the calendar year.

The Company was founded by Ripplewood Holdings I LLC (the “Sponsor Entity”), an affiliate of Ripplewood Advisors LLC, a long-established investor in the financial services sector.

More information about the Company, including the Company’s initial public offering (“IPO”) and related prospectus (the “Prospectus”), which was approved by Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) on April 26, 2022, can be found on the Company’s website.

Certain of the Company’s capital instruments were listed on the Euronext Amsterdam Stock Exchange as of April 28, 2022, having raised \$230,000,000 in its IPO. 23,000,000 Units at \$10.00 per Unit is redeemable for one ordinary share of the Company (each an “Ordinary Share”) and 1/3 of a public warrant (each whole warrant, “Public Warrants”). Holders of the Units of the Company (“Unit Holders”) have the option to continue to hold Units or to redeem their Units for Ordinary Shares and Warrants. The proceeds were placed in an Escrow Account as outlined in the Prospectus. In addition, the Company has raised proceeds from the sale of 7,000,000 warrants (the “Sponsor Warrants”) from the Sponsor Entity at a price of \$1.00 per Sponsor Warrant.

The Company has 1 employee at December 31, 2023 and December 31, 2022.

### 2. 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 have been prepared in accordance, and comply 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 January 1, 2023 through December 31, 2023. The prior period information presented in the financial statements is from January 1, 2022 through December 31, 2022. The Company’s statutory financial year end is December 31.

# Iris Financial

## Notes to Financial Statements (continued)

December 31, 2023

### 2. 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 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 year. 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

#### 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 of derivatives
- Note 9 – Share-based payment – probability of business combination
- Note 14 – Contingent settlement provision – probability of business combination

### 2.3 Going concern

These financial statements have been prepared on a going concern basis. Following the IPO and prior to the completion of a 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 originally had 24 months beginning May 2, 2022 to complete a Business Combination. On April 19, 2024 the deadline for the consummation of the Business Combination was extended from May 2, 2024 to November 2, 2024 in a resolution approved by the Company's shareholders at an extraordinary general meeting ("Revised Business Combination Deadline").

If the Company fails to complete a Business Combination prior to the Revised Business Combination Deadline, it will cease all operations except for the purposes of winding up, redeem the Units and Ordinary Shares with amounts from the Escrow Account, and commence liquidation.

The financial risk for the Company's shareholders is largely mitigated by the fact that the Company holds \$230,000,000 (plus interest) in an Escrow Account, which can only be released to redeem Ordinary Shares or to complete a Business Combination.

The Company had raised proceeds from the sale of 7,000,000 Sponsor Warrants from the Sponsor Entity at a price of \$1.00 per Sponsor Warrant, generating an aggregate amount of \$7,000,000 ("Warrant Proceeds").

# Iris Financial

## Notes to Financial Statements (continued)

December 31, 2023

### 2. Material accounting policies (continued)

#### 2.3 Going concern (continued)

The Sponsor Entity also committed a Promissory Note up to \$2,000,000 to the Company for the purposes of funding the Company's ongoing working capital requirements. As of December 31, 2023, \$300,000 had been drawn from this facility. On March 27, 2024, the remaining \$1,700,000 was drawn from this facility. These draws are expected to be sufficient to cover working capital and other running costs and expenses not limited to 12 months from December 31, 2023.

Given the short time remaining to the Revised Business Combination Deadline and challenging market conditions (inclusive of competition and potential geopolitical events), there is material uncertainty regarding the Company's ability to continue as a going concern - that is, whether it will be able to achieve its objectives not limited to 12 months from the date of these financial statements. Reaching the conclusion that there is material uncertainty involves significant judgement.

Nevertheless, management remain focused on completing a Business Combination by the Revised Business Combination Deadline. Therefore, the accompanying financial statements have been prepared on a going concern basis and do not include any adjustments that might arise as a result of uncertainties about the Company'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. 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 Ordinary Shares should the Company not complete a Business Combination by the Revised 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 position or comprehensive income.

#### 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. Accordingly, management has determined that the functional currency of the Company is USD.

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.

#### 2.6 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.

# Iris Financial

## Notes to Financial Statements (continued)

December 31, 2023

### 2. Material accounting policies (continued)

#### 2.6 Financial instruments (continued)

##### (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 calculated using the effective interest rate method and impairment are recognised in Statement of Comprehensive Income. Any gain or loss on derecognition is also recognised in Statement of Comprehensive Income. Cash, Escrow Account, and other receivables are included in this category.

Financial assets classified at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in Statement of Comprehensive Income.

###### 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 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 Statement of Comprehensive Income. Any gain or loss on derecognition is also recognised in Statement of Comprehensive Income.

Financial liabilities at amortised cost include accounts payable and accrued expenses not due to affiliates, accounts payable and accrued expenses due to affiliates, Ordinary Shares, and the portion of Units attributable to Ordinary Shares. Financial liabilities at fair value through profit or loss include Public Warrants, Sponsor Warrants and the portion of Units attributable to Public Warrants.

##### (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.



# Iris Financial

## Notes to Financial Statements (continued)

December 31, 2023

### 2. 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 approximate 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.

##### (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 realising security (if any is held); or
- the financial asset is more than 90 days past due.

# Iris Financial

## Notes to Financial Statements (continued)

December 31, 2023

### 2. Material accounting policies (continued)

#### 2.6 Financial instruments (continued)

##### (v) Impairment (continued)

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.

#### 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.

##### (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.

# Iris Financial

## Notes to Financial Statements (continued)

December 31, 2023

### 2. Material accounting policies (continued)

#### 2.6 Financial instruments (continued)

##### (vi) Derecognition (continued)

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. The Company derecognises a derivative only when it meets the derecognition criteria for the financial liability.

#### 2.7 Cash

Cash represents cash deposits held at financial institutions. Cash is held for meeting short-term liquidity requirements rather than for investment purposes. Cash is held at major financial institutions.

#### 2.8 Escrow Account

The Escrow Account 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.

#### 2.9 Prepayments

These represent assets for amounts paid prior to the end of the financial year, 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.

#### 2.10 Accounts payable and accrued expenses

These amounts represent liabilities for services provided to the Company prior to the end of the financial year, 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.

#### 2.11 Units

Units comprise of Ordinary Shares and Public Warrants. Each Unit is exchangeable for one (1) Ordinary Share and one-third (1/3) of a Public Warrants.

# Iris Financial

## Notes to Financial Statements (continued)

December 31, 2023

### 2. Material accounting policies (continued)

#### 2.12 Ordinary Shares

Ordinary Shares are redeemable at the shareholders' option and are classified as financial liabilities in the Statement of Financial Position.

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

Interest 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.

#### 2.13 Public Warrants and Sponsor Warrants

The Public Warrants and 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").

Public Warrants and Sponsor Warrants are recognised initially at fair value. The fair value of Public Warrants and 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.

#### 2.14 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.

#### 2.15 Share-based compensation

The issue of the Sponsor Shares was in the scope of IFRS 2 *Share-based payment* ("IFRS 2"). The Sponsor Entity provides services in the form of expertise to assist the Company to identify a suitable candidate for a Business Combination.

# Iris Financial

## Notes to Financial Statements (continued)

December 31, 2023

### 2. Material accounting policies (continued)

#### 2.15 Share-based compensation (continued)

Under IFRS 2, share-based compensation expense associated with equity-classified awards is measured at fair value upon the grant date. For share-based payments, the grant-date fair value of the share-based payments is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. The grant-date fair value of share-based payments recognised as an expense in the Statement of Comprehensive Income with a corresponding increase in a separate reserve within equity.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting or performance conditions are to be satisfied.

Share-based compensation expense related to the Sponsor Shares is recognised only when the performance condition (being the completion of a Business Combination) is probable of occurrence under IFRS 2.

Sponsor Shares are automatically convertible into Ordinary Shares concurrently with or immediately following the completion of the Business Combination as described in the articles of association. If the performance condition is probable, share-based compensation would be recognised in an amount equal to the number of Sponsor Shares that ultimately convert multiplied by the grant date fair value per Sponsor Share (unless subsequently modified), less the amount initially received for the issue of the Sponsor Shares.

#### 2.16 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 dividend income, interest income and investment income net of withholding tax 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.

#### 2.17 Related parties

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.

#### 2.18 Interest income and expense

Interest income and expense presented in the Statement of Comprehensive Income comprise interest income on financial assets and interest expense on financial liabilities measured at amortised cost calculated on an effective interest basis. The 'effective interest rate' is calculated on initial recognition of a financial instrument as the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the amortised cost of the financial liability. In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

# Iris Financial

## Notes to Financial Statements (continued)

December 31, 2023

### 2. Material accounting policies (continued)

#### 2.18 Interest income and expense (continued)

The Escrow Account receives interest at a rate agreed in writing between the Escrow Agent and the Company, which is a daily floating rate equal to the USD Secured Overnight Financing Rate (“SOFR”) less five basis points.

The Escrow Account could bear a negative rate of interest if SOFR bears a rate of interest of less than five basis points. If SOFR is a negative value on particular days during an interest period, the Escrow Agent will charge the Company a utilisation fee for such interest period in an amount equal to the aggregate of the daily calculations of interest for the days during such interest period during which SOFR was a negative value.

In the event that the Company is unable to complete a Business Combination, the Ordinary shareholders are entitled to receive their pro rata share of the Escrow Account.

### 3. Fair value measurement

A number of the Company’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. This includes the use of a valuation specialist. The Board has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

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).

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.

#### 3.1 Valuation techniques

To value the warrant liabilities, the valuation specialist uses proprietary valuation models such as the Black-Scholes Option Pricing Model and the Binominal Option Pricing Model. Judgement and estimation are usually required for the selection of the appropriate valuation model to be used.

Valuation models that employ significant unobservable inputs require a high degree of judgement and estimation in the determination of fair value. Some or all of the significant inputs into these models may not be observable in the market and are derived from market prices or rates or are estimated based on assumptions. Assumptions and inputs used in the valuation models include a risk-free interest rate, time to Business Combination Deadline and volatility. In order to estimate volatility, valuation techniques include comparison with similar instruments for which observable market prices exist.

#### 3.2 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 as at December 31, 2023.

# Iris Financial

## Notes to Financial Statements (continued)

December 31, 2023

### 3. Fair value measurement (continued)

#### 3.2 Fair value hierarchy – Financial instruments measured at FVTPL (continued)

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial liabilities at FVTPL</b>				
Public Warrants liabilities, attributable to Units at FVTPL	-	-	145,234	145,234
Public Warrant Liabilities at FVTPL	-	-	46,433	46,433
Sponsor Warrant liabilities at FVTPL	-	-	175,000	175,000
	-	-	366,667	366,667

The following table summarises the valuation of the Company's financial instruments within the fair value hierarchy levels as at December 31, 2022.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial liabilities at FVTPL</b>				
Public Warrants liabilities, attributable to Units at FVTPL	-	-	613,333	613,333
Sponsor Warrant liabilities at FVTPL	-	-	560,000	560,000
	-	-	1,173,333	1,173,333

#### 3.3 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 year ended December 31, 2023:

	2023 \$	2022 \$
<b>Beginning of year</b>	1,173,333	-
Proceeds from the issuance of Sponsor Warrants	-	7,000,000
Proceeds from the issuance of Public Warrants, attributable to Units	-	3,910,000
Net unrealised gains on warrant liabilities at FVTPL	(806,666)	(9,736,667)
<b>End of year</b>	366,667	1,173,333

There were no transfers between levels for the year.

#### 3.4 Significant unobservable inputs

The following table summarises the valuation techniques and significant unobservable inputs used for the Company's financial instruments classified in Level 3 as of December 31, 2023:

	Fair value \$	Valuation technique	Unobservable inputs	Range of inputs (weighted average)
Warrant liabilities	366,667	Black-Scholes Option Pricing Model and Binominal Option Pricing Model	Expected volatility Expected term (years)	2.32% 5.34 years

# Iris Financial

## Notes to Financial Statements (continued)

December 31, 2023

### 3. Fair value measurement (continued)

#### 3.4 Significant unobservable inputs (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 December 31, 2022:

	Fair value \$	Valuation technique	Unobservable inputs	Range of inputs (weighted average)
Warrant liabilities	1,173,333	Black-Scholes Option Pricing Model and Binominal Option Pricing Model	Expected volatility Expected term (years)	5.82% 5.59 years

The fair value of warrant liabilities are determined by a valuation specialist with reference to significant unobservable inputs. The valuation specialist has used a combination of the Black-Scholes Option Pricing Model and Binominal Option Pricing Model, incorporating expected volatility, expected term and the risk-free rate, to value the warrant liabilities. The Binominal Option Pricing Model was used for the Public Warrants to incorporate the redemption features associated with the instrument. Warrants are accounted for as derivative liabilities measured at FVTPL at each reporting period, in accordance with IFRS 9 and IAS 32. Changes in the fair value of the warrants are recorded in the Statement of Comprehensive Income.

#### 3.5 Sensitivity of fair value measurement to changes in unobservable inputs

As at December 31, 2023, the Company holds financial liabilities that are valued by the valuation specialist with reference to unobservable inputs such as expected volatility, expected term and the risk free rate using a combination of the Black-Scholes Option Pricing Model and Binominal Option Pricing Model. The Company is exposed to risks associated with the effects of fluctuations in these unobservable inputs used in the valuation of financial liabilities. A sensitivity analysis has not been included because it is not material to these audited financial statements.

### 4. Cash

	2023 \$	2022 \$
Current accounts	376,653	3,226,581

The amounts available to the Company in the current accounts are used to fund the costs related to the IPO, working capital and Business Combination. The Company holds current accounts in USD and EUR. The balances of these accounts as at December 31, 2023 were \$19,707 and €300,774 respectively. At December 31, 2022, the balance of these accounts were \$3,166,929 and €55,880 respectively.



# Iris Financial

## Notes to Financial Statements (continued)

December 31, 2023

### 5. Escrow Account

	2023	2022
	\$	\$
<b>Beginning of year</b>	233,674,798	-
Proceeds from issuance of Units	-	230,000,000
Interest received on Escrow Account	12,018,936	3,674,798
<b>End of year</b>	245,693,734	233,674,798

Cash held in the interest bearing Escrow Account comprise 100% of the proceeds from the IPO plus interest 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 Prospectus, the Company will have legal ownership of the cash amounts 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 Citibank to create a variable interest Escrow Account. The Escrow Account 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.

The gross proceeds from the IPO were deposited in the Escrow Account and the amounts held in the Escrow Account are held in cash. The Escrow Account received interest at a rate agreed in writing between the Escrow Agent and the Company, which was a daily floating rate equal to the USD Secured Overnight Financing Rate ("SOFR") less five basis points.

In the event that the Company is unable to complete a Business Combination, the Ordinary shareholders are entitled to receive their pro rata share of the Escrow Account.

### 6. Financial risk management

The Audit Committee monitors the effectiveness of the Company's internal control systems 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.

#### 6.1 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.

##### i) Interest rate risk

As at December 31, 2023, the majority of the Company's cash held in the Escrow Account 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.

# Iris Financial

## Notes to Financial Statements (continued)

December 31, 2023

### 6. Financial risk management (continued)

#### 6.1 Market risk management (continued)

##### i) Interest risk (continued)

The proceeds held in the Escrow Account are held in cash. In the event that the Company is unable to complete a Business Combination, the Ordinary shareholders are entitled to receive their pro rata share of the Escrow Account. The Escrow Account bears interest at a rate agreed in writing between the Escrow Agent and the Company, which is a daily floating rate equal to the USD Secured Overnight Financing Rate (“SOFR”) less five basis points. The Escrow Account could bear a negative rate of interest if SOFR bears a rate of interest of less than five basis points. If SOFR is a negative value on particular days during an interest period, the Escrow Agent will charge the Company a utilisation fee for such interest period in an amount equal to the aggregate of the daily calculations of interest for the days during such interest period during which SOFR was a negative value.

The following table sets out the interest risk profile of the Company as at December 31, 2023:

	Interest bearing 2023 \$	Non- interest bearing 2023 \$	Interest bearing 2022 \$	Non- interest bearing 2022 \$
<b>Assets</b>				
Cash	376,653	-	-	3,226,581
Escrow Account	245,693,734	-	233,674,798	-
Prepayments	-	80,833	-	165,951
Other receivables	-	4,658	-	4,975
<b>Total assets</b>	<b>246,070,387</b>	<b>85,491</b>	<b>233,674,798</b>	<b>3,397,507</b>
	Interest bearing 2023 \$	Non- interest bearing 2023 \$	Interest bearing 2022 \$	Non- interest bearing 2022 \$
<b>Liabilities</b>				
Accounts payable and accrued expenses not due to affiliates	-	753,374	-	524,553
Accounts payable and accrued expenses due to affiliates	-	517,942	-	167,190
Units	-	186,433,224	-	232,065,858
Ordinary Shares	-	59,559,069	-	-
Public Warrant Liabilities at FVTPL	-	46,433	-	-
Sponsor Warrant liabilities at FVTPL	-	175,000	-	560,000
<b>Total liabilities</b>	<b>-</b>	<b>247,485,042</b>	<b>-</b>	<b>233,317,601</b>

During the year ended December 31, 2023, the Escrow Account generated interest of \$12,018,936 (2022: \$3,674,798). As at December 31, 2023, the net exposure to interest rate risk is \$245,693,734 (2022: \$233,674,798). If interest earned in the year was 10% higher or lower this would result in an increase or decrease of \$1,201,894 (2022: \$367,480) in the total net profit. The reasonably possible favourable (10% increase) and unfavourable (10% decrease) assumption is made to show the effect of interest rates on equity and profit and loss of the Company.

# Iris Financial

## Notes to Financial Statements (continued)

December 31, 2023

### 6. Financial risk management (continued)

#### 6.1 Market risk management (continued)

##### ii) Currency risk

As at December 31, 2023, the Company held financial assets denominated in Euros, which is other than the Company's functional currency. The Company's exposure to currency risk is considered minimal, as the value of the assets and liabilities denominated in other currencies is considered to be relatively minimal. As the Company has minimal exposure to currency risk, management considers that no foreign exchange rate sensitivity analysis is required.

##### iii) Other market price risk

Other market price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment or its issuer or factors affecting all instruments traded in the market. Sponsor Warrants and Public Warrants are financial liabilities that are measured at fair value using unobservable inputs and therefore a sensitivity analysis of other market price risk is not relevant.

#### 6.2 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 through receipt of \$25,000 proceeds from the issuance of Sponsor Shares, \$7,000,000 from the issuance of Sponsor Warrants all of which has been allocated to the payment of Company expenses, and the subsequent draw on the Promissory Note of \$300,000 on December 15, 2023. As at December 31, 2023, the cash available in the current account amounted to \$376,653. On March 27, 2024, a further \$1,700,000 as drawn on the Promissory Note. These funds will be used to settle the operational costs of the Company until the Revised Business Combination deadline not limited to 12 months from December 31, 2023.

The Company is obligated to offer holders of its Ordinary Shares the right to redeem their Ordinary Shares for cash at the time of the Business Combination. 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 voted at the general meeting convened to approve the Business Combination. If the Company fails to complete a Business Combination prior to the Business Combination Deadline, it will redeem the Units into Ordinary Shares and then all Ordinary Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Escrow Account, divided by the number of then issued and outstanding Units and Ordinary Shares.

The Company does not 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 not limited to 12 months from December 31, 2023.

However, it may need to raise additional funds, through an offering of debt, equity or equity-linked securities, if such funds were to be required to complete the Business Combination. Other than as contemplated above, the Company does not intend to raise additional financing or debt prior to the completion of the Business Combination.

# Iris Financial

## Notes to Financial Statements (continued)

December 31, 2023

### 6. Financial risk management (continued)

#### 6.2 Liquidity risk management (continued)

The table below summarises the maturity profile of the Company's financial liabilities at December 31, 2023 based on contractual undiscounted payments.

	Less than 3 months \$	3-12 months \$	12-18 months \$	Total \$
<b>Liabilities</b>				
Accounts payable and accrued expenses not due to affiliates	753,374	-	-	753,374
Accounts payable and accrued expenses due to affiliates	517,942	-	-	517,942
Ordinary Shares, included in Units	-	186,287,990	-	186,287,990
Public Warrant Liabilities at FVTPL, attributable to Units	-	145,234	-	145,234
Ordinary shares	-	59,559,069	-	59,559,069
Public Warrant Liabilities at FVTPL	-	46,433	-	46,433
Sponsor Warrant liabilities at FVTPL	-	175,000	-	175,000
<b>Total liabilities</b>	<b>1,271,316</b>	<b>246,213,726</b>	<b>-</b>	<b>247,485,042</b>

The table below summarises the maturity profile of the Company's financial liabilities at December 31, 2022 based on contractual undiscounted payments.

	Less than 3 months \$	3-12 months \$	12-18 months \$	Total \$
<b>Liabilities</b>				
Accounts payable and accrued expenses not due to affiliates	524,553	-	-	524,553
Accounts payable and accrued expenses due to affiliates	167,190	-	-	167,190
Ordinary Shares, included in Units	-	-	231,452,525	231,452,525
Public Warrant Liabilities at FVTPL, included in Units	-	-	613,333	613,333
Sponsor Warrant liabilities at FVTPL	-	-	560,000	560,000
<b>Total liabilities</b>	<b>691,743</b>	<b>-</b>	<b>232,625,858</b>	<b>233,317,601</b>

# Iris Financial

## Notes to Financial Statements

December 31, 2023 (continued)

### 6. Financial risk management (continued)

#### 6.3 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 which is held in Escrow Account with Citibank Europe Plc, Netherlands. The probability of default of Citibank Europe Plc, Netherlands is deemed low based on the following credit ratings as at December 31, 2023 and at December 31, 2022:

Credit Ratings	Moody's	Standard & Poor's	Fitch
Long term	Aa3	A+	A+
Short term	P-1	A-1	F1

#### 6.4 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence. The Company may fund any excess costs through the issuance of debt, equity or equity-linked instruments as disclosed in Note 2.3.

#### 6.5 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's activities with financial instruments, either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements.

The Company's objective is to manage operational risk so as to balance the limiting of financial losses and complete the Business Combination.

### 7. Acquisition

The Company made no acquisitions during the year ended December 31, 2023 (2022: none).

### 8. Capital instruments

The Memorandum and Articles of Association authorised the issuance of up to 345,000,000 Ordinary Shares, 100,000,000 Units, 50,000,000 Sponsor Shares and 5,000,000 Preference Shares, each having a par value of \$0.0001.

#### 8.1 Sponsor Shares

At December 31, 2023, there were 5,750,000 Sponsor Shares issued and outstanding. These had been purchased by the Sponsor Entity for an aggregate purchase price of \$25,000.

Subject to the rights of the Units, Ordinary Shares and Preference Shares, the Sponsor Shares are not redeemable at the option of the holder and confer on the holders the right to vote and the right on the winding up or dissolution of the Company to participate in the surplus assets of the Company. Other than at any time when there are any Ordinary Shares, Units or Preference Shares in issue, the holders of the Sponsor Shares are not entitled to receive any distributions as may be declared by the Board. Sponsor Shares may be repurchased by the Company on terms agreed with the shareholder.

# Iris Financial

## Notes to Financial Statements (continued)

December 31, 2023

### 8. Capital instruments (continued)

#### 8.1 Sponsor Shares (continued)

Finally, in the event that the Board so determine, Sponsor Shares may be compulsorily redeemed by the Company provided the Company has agreed the terms on which (and the events in respect of which) such compulsory redemption may be effected with the shareholder (or in connection with) the issuance thereof.

The Sponsor Shares or any Ordinary Shares issued upon the exchange thereof, whether held by the Sponsor Entity or any of its permitted transferees, are subject to a time-based lock-up, generally restricting the transfer, assignment or sale in accordance with the following schedule (the "Lock-up Period"):

(i) 1/3 of the Sponsor Shares may be transferred, assigned or sold following the completion of the Business Combination,

(ii) 1/3 of the Sponsor Shares may be transferred, assigned or sold one year following the completion of the Business Combination; and

(iii) 1/3 of the Sponsor Shares may be transferred, assigned or sold two years following the completion of the Business Combination

Additional details regarding the Lock-up Period and other lock-up restrictions are set forth in the Prospectus.

The Sponsor Shares will be automatically repurchased by the Company and simultaneously therewith exchanged with Ordinary Shares at the time of the Business Combination, or earlier at the option of the holders thereof. At the time of the Business Combination, the Sponsor Shares will be exchanged for Ordinary Shares at a ratio such that the number of Ordinary Shares issuable to the holders of Sponsor Shares upon conversion of all Sponsor Shares will be equal, in the aggregate, to 20% of the total number of Ordinary Shares issued and outstanding as a result of the completion of the IPO.

*From January 1, 2022 through December 31, 2022*

<u>Date</u>	<u>Description</u>	<u>Amount (Total)</u>
As at January 1, 2022		7,187,500 Sponsor Shares outstanding with the Sponsor Entity.
March 21, 2022	937,500 Sponsor Shares repurchased and cancelled by the Company for no consideration, thereby reducing the aggregate number of Sponsor Shares outstanding to 6,250,000.	6,250,000 Sponsor Shares outstanding with the Sponsor Entity.
April 27, 2022	500,000 Sponsor Shares repurchased and cancelled by the Company for no consideration, thereby reducing the aggregate number of Sponsor Shares outstanding to 5,750,000.	5,750,000 Sponsor Shares outstanding with the Sponsor Entity.
As at December 31, 2022		5,750,000 Sponsor Shares outstanding with the Sponsor Entity.

*From January 1, 2023 through December 31, 2023*

At December 31, 2023, there were no further changes to the Sponsor shares.

# Iris Financial

## Notes to Financial Statements (continued)

December 31, 2023

### 8. Capital instruments (continued)

#### 8.2 Preference Shares

At December 31, 2023 and as at December 31, 2022, there were no Preference Shares issued and outstanding. Preference Shares may be issued from time to time in one or more series. The Board will be authorised to fix the voting rights, if any, designations, powers, preferences, the relative, participating, optional or other special rights and any qualifications, limitations and restrictions thereof, applicable to the shares of each series. The Board, subject to its fiduciary duties under Cayman Islands law, will be able to, without shareholder approval, issue Preference shares with voting and other rights that could adversely affect the voting power and other rights of the Ordinary Shareholders and could have anti-takeover effects.

#### 8.3 Treasury Shares

When shares recognised as equity are repurchased, the par value is recognised as a deduction or debit from share capital and are classified as Treasury shares.

Each Ordinary Share (other than Ordinary Shares held in Treasury) confers the right to cast one vote at the general meeting. Each holder of an Ordinary Share may cast as many votes as they hold Ordinary Shares.

As long as the Ordinary Shares are held in Treasury, such Ordinary Shares shall not be voted at any general meeting of the Company.

*From January 1, 2022 through December 31, 2022*

Date	Description	Amount (Total)
As at January 1, 2022		Held in treasury as of January 1, 2022: (i) 3,750,000 Units; (ii) 35,937,500 Ordinary Shares; and (iii) 9,583,333 Public Warrants
February 23, 2022	The Company cancelled the following treasury shares and Public Warrants held in treasury: (i) 3,750,000 Units, (ii) 4,687,500 Ordinary Shares, and (iii) 1,250,000 Public Warrants.	Held in treasury as of February 23, 2022: (i) 0 Units; (ii) 31,250,000 Ordinary Shares; and (iii) 8,333,333 Public Warrants.
April 27, 2022	The Company cancelled 666,666 Public Warrants held in treasury.	Held in treasury as of April 27, 2022: (i) 0 Units; (ii) 31,250,000 Ordinary Shares; and (iii) 7,666,667 Public Warrants.
As at December 31, 2022		Held in treasury as of December 31, 2022: (i) 0 Units; (ii) 31,250,000 Ordinary Shares; and (iii) 7,666,667 Public Warrants.

# Iris Financial

## Notes to Financial Statements (continued)

December 31, 2023

### 8. Capital instruments (continued)

#### 8.3 Treasury Shares (continued)

From January 1, 2023 through December 31, 2023

Date	Description	Amount (Total)
May 25, 2023 through September 25, 2023	Redemption of 5,571,995 Units for 5,571,995 Ordinary Shares and 1,857,330 Public Warrants.	Held in treasury as of September 25, 2023: (i) 5,571,995 Units; (ii) 25,678,005 Ordinary Shares; and (iii) 5,809,337 Public Warrants.
As at December 31, 2023		Held in treasury as of December 31, 2023: (i) 5,571,995 Units; (ii) 25,678,005 Ordinary Shares; and (iii) 5,809,337 Public Warrants.

#### 8.4 Units

On April 28, 2022, the Company issued 23,000,000 Units (each “Units”) at a price of \$10.00 per Unit for proceeds of \$230,000,000. This was greater than the 22,500,000 Units listed in the Prospectus, but within an acceptable range so an update to the Prospectus was not required. Each Unit is redeemable for one ordinary share of the Company and 1/3 of a public warrant. Holders of the Units of the Company (“Unit Holders”) have the option to continue to hold Units or to redeem their Units for Ordinary Shares and Warrants.

	2023 \$	2022 \$
Carrying amount at January 1, 2023	232,065,858	-
Proceeds from issuance of Units	-	230,000,000
Amortised cost of Units converted to component parts of Ordinary Shares and Public Warrants	(59,605,502)	-
Offering and underwriting costs	-	(2,334,755)
Interest expense calculated using effective interest method	14,394,534	7,697,280
Net unrealised gains on Public Warrants, included in Units	(421,666)	(3,296,667)
<b>Carrying amount at December 31, 2023</b>	<b>186,433,224</b>	<b>232,065,858</b>

#### Carrying amount of component parts of Units at December 31, 2023

Ordinary Shares	186,287,990	231,452,525
Public warrants	145,234	613,333



# Iris Financial

## Notes to Financial Statements (continued)

December 31, 2023

### 8. Capital instruments (continued)

#### 8.4 Units (continued)

The Units rank, *pari passu*, with each other and Unit Holders are entitled (subject to the terms set out in the Prospectus) to dividends and other distributions declared and paid on them. Each Unit carries the dividend and other distribution rights as included in the Memorandum and Articles of Association of the Company and the right to attend and to cast one vote at the general meeting of the Company (including at the Business Combination EGM). However, Units will not be redeemed in connection with the Business Combination EGM or in connection with a vote to extend the Business Combination Deadline. Therefore, Unit Holders must first redeem their Units for Ordinary Shares in order to redeem such Ordinary Shares in connection with the Business Combination EGM.

*From January 1, 2022 through December 31, 2022*

Date	Description	Amount
As at January 1, 2022		3,750,000 Units held in treasury.
February 23, 2022	The Company cancelled 3,750,000 Units held in treasury.	0 Units held in treasury, or outstanding.
April 25, 2022	The Company issued 23,000,000 Units.	23,000,000 Units issued and outstanding.
May 2, 2022	The Company transferred 23,000,000 Units to ABN AMRO Bank N.V., Listing Agent, for inclusion on the Euronext Amsterdam exchange.	23,000,000 Units issued and outstanding.
As at December 31, 2022		0 Units held in treasury. 23,000,000 Units issued and outstanding.

*From January 1, 2023 through December 31, 2023*

Date	Description	Amount
May 25, 2023 through September 25, 2023	Redemption of 5,571,995 Units for 5,571,995 Ordinary Shares and 1,857,330 Public Warrants.	5,571,995 Units held in treasury. 17,428,005 Units issued and outstanding.

Units	2023 \$
In issue at January 1	23,000,000
Redemption of Units	(5,571,995)
In issue at December 31	17,428,005

Units	2022 \$
In issue at January 1	-
Issued for cash on May 2	23,000,000
In issue at December 31	23,000,000

# Iris Financial

## Notes to Financial Statements (continued)

December 31, 2023

### 8. Capital instruments (continued)

#### 8.5 Ordinary Shares

At December 31, 2023, 25,678,005 Ordinary Shares (31,250,000 Ordinary Shares at December 31, 2022) were held in treasury, and 5,571,995 Ordinary Shares were issued and outstanding. Ordinary Shares are held in treasury as reserves to serve miscellaneous purposes, including to facilitate: (i) the potential future redemption of outstanding Units, (ii) the potential future conversion of Sponsor Shares and (iii) any potential future warrant redemption.

Once issued and outstanding, the Ordinary Shares rank, *pari passu*, with each other and holders of Ordinary Shares are entitled (subject to the terms set out in this Prospectus) to dividends and other distributions declared and paid on them. Each Ordinary Share carries distribution and liquidation rights as included in the Memorandum and 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 EGM). As long as any Ordinary Shares are held in treasury, such Ordinary Shares shall not be voted at any general meeting of the Company and no dividend may be declared or paid and no other distribution of the Company's assets may be made in respect of such Ordinary Shares. Ordinary Shares held by the Sponsor Entity (of which there were none at December 31, 2023 and December 31, 2022), each member of the Company's management team and certain advisors to the Company are subject to lock-up agreements, which prohibit transfer, assignment or sale in accordance with the Lock-up Period.

From January 1, 2023 through December 31, 2023

Date	Description	Amount
May 25, 2023 through September 25, 2023	Redemption of 5,571,995 Units for 5,571,995 Ordinary Shares and 1,857,330 Public Warrants.	25,678,005 Ordinary Shares held in treasury. 5,571,995 Ordinary Shares issued and outstanding.
As at December 31, 2023		25,678,005 Ordinary Shares held in treasury. 5,571,995 Ordinary Shares issued and outstanding.
<b>Ordinary shares</b>		<b>2023</b>
		<b>\$</b>
Carrying amount at beginning of year		-
Amortised cost of Ordinary Shares converted from Units		59,559,069
Carrying amount at end of year		59,559,069

# Iris Financial

## Notes to Financial Statements (continued)

December 31, 2023

### 8. Capital instruments (continued)

#### 8.6 Public Warrants liabilities at fair value through profit or loss

At December 31, 2023, 5,809,337 Public Warrants were held in treasury and 1,857,330 Public Warrants were issued and outstanding. Public Warrants are held in treasury as reserve for the potential redemption of outstanding Units; each outstanding Unit can be converted at the Unit Holder's option to one Ordinary Share and 1/3 Public Warrant. Each whole Public Warrant entitles the Warrant Holder to purchase one Ordinary Share at a price of \$11.50 per Ordinary Share, subject to adjustments as set out in the Prospectus at any time commencing 30 days after the Business Combination. Public Warrants will expire at 17:40 Central European Time (CET) on the date that is five years after the Business Combination, or earlier upon redemption of the Public Warrants or liquidation of the Company. The Public Warrants will only be exercisable by persons who represent, amongst other things, that they (i) are QIBs or (ii) are outside the United States and are acquiring Ordinary Shares upon exercise of the Public Warrants in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. A Warrant Holder may exercise only whole Public Warrants at a given time. No fractional Public Warrants will be issued or delivered and only whole Public Warrants will trade on Euronext Amsterdam. Accordingly, unless an investor purchases at least three Units, it will not be able to receive or trade a whole Public Warrant.

*From January 1, 2022 through December 31, 2022*

Date	Description	Amount
As at January 1, 2022		9,583,333 Public Warrants held in treasury.
February 23, 2022	The Company cancelled 1,250,000 Public Warrants held in treasury.	8,333,333 Public Warrants held in treasury.
April 27, 2023	The Company cancelled 666,666 Public Warrants held in treasury.	7,666,667 Public Warrants held in treasury.
As at December 31, 2022		7,666,667 Public Warrants held in treasury.

*From January 1, 2023 through December 31, 2023*

Date	Description	Amount
May 25, 2023 through September 25, 2023	Redemption of 5,571,995 Units for 5,571,995 Ordinary Shares and 1,857,330 Public Warrants.	5,809,337 Public Warrants held in treasury. 1,857,330 Public Warrants issued and outstanding.
As at December 31, 2023		5,809,337 Public Warrants held in treasury. 1,857,330 Public Warrants issued and outstanding.

Public Warrant Liabilities	2023
	\$
Carrying amount at beginning of year	-
Fair value of Public Warrants converted from Units	148,586
Net unrealized gain on Public Warrant Liabilities at FVTPL	(102,153)
Carrying amount at end of year	46,433

# Iris Financial

## Notes to Financial Statements (continued)

December 31, 2023

### 8. Capital instruments (continued)

#### 8.7 Sponsor Warrant liabilities at fair value through profit or loss

The Sponsor Entity has purchased an aggregate of 7,000,000 Sponsor Warrants at a price of \$1.00 per Sponsor Warrant (\$7,000,000 in the aggregate), each exercisable to purchase one Ordinary Share at \$11.50 per Ordinary Share. The Sponsor Warrants and the respective Ordinary Shares underlying such Sponsor Warrants are not transferable or saleable until 30 days after the completion of the Business Combination. If the Company does not complete a Business Combination by the Business Combination Deadline, the Sponsor Warrants will expire worthless. The Sponsor Warrants are non-redeemable by the Company and exercisable on a cashless basis so long as they are held by the Sponsor Entity or its permitted transferees. If the Sponsor Warrants are held by holders other than the Sponsor Entity or its permitted transferees, the Sponsor Warrants will be redeemable by the Company in all redemption scenarios and exercisable by the holders on the same basis as the Warrants. Except as described in the Prospectus, the Sponsor Warrants (including the Ordinary Shares issuable upon exercise of the Sponsor Warrants) are not transferable, assignable or salable until 30 days after the Business Combination completion date.

### 9. Share-based compensation

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 grant date is considered to be the date of the IPO. In the event that the Business Combination becomes probable, a share-based payment would be recognised as vested and pro-rated over the remaining period to Business Combination Deadline date as a share-based payment reserve within Shareholders' equity. As the Company will trade its own shares as consideration for services received, the share-based payment is treated as equity-settled.

Please refer to Note 8.1 for a description of the general terms and conditions for the Sponsor Shares, vesting requirements and the number of Sponsor Shares granted. A valuation specialist determined the value of the services received as follows, with reference to the fair value of the Sponsor Shares issued:

- (i) The 1/3 of the Sponsor Shares which may be transferred, assigned or sold following the completion of the Business Combination were valued at \$9.65 per share at grant date.
- (ii) The 1/3 of the Sponsor Shares which may be transferred, assigned or sold one year following the completion of the Business Combination were valued at \$9.35 per share at grant date.
- (iii) The 1/3 of the Sponsor Shares which may be transferred, assigned or sold two years following the completion of the Business Combination were valued at \$9.17 per share at grant date.

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

As of December 31, 2023 and December 31, 2022, the Company determined that the Business Combination is not probable (i.e. having considered the period remaining until the Business Combination Deadline of May 2, 2024, it was considered less than a 50% probability that the Business Combination would be completed), and, therefore, no share-based compensation expense has been recognised in respect of the Sponsor Shares. In the event that the Business Combination becomes probable, the Company will recognise a significant share-based compensation expense in respect of the Sponsor Shares.

# Iris Financial

## Notes to Financial Statements (continued)

December 31, 2023

### 10 Share premium

The share premium relates to contribution on issued Sponsor Shares in excess of the par value of the Sponsor Shares (above par value), if applicable.

### 11. Operating costs

Total operating costs that have been expensed during the year ended December 31, 2023 amounted to formation and operational expenses of \$3,552,145 (2022: \$1,902,469). Included within these were audit fees of \$125,000 for the year ended December 31, 2023 (2022: \$145,000).

### 12. Dividends

No dividends were paid or declared by the Company during the year ended December 31, 2023 (2022: none).

### 13. (Loss) / Earning per share

#### 13.1 (Loss) / Earning per share

#### Weighted-average number of Sponsor Shares

	2023	2022
	\$	\$
<b>Numerator</b>		
Net (loss) / profit for the year used in basic (loss) /profit per share	(5,083,868)	3,816,691
<b>Total net (loss) / profit for the year used in basic (loss) / profit per share</b>	<b>(5,083,868)</b>	<b>3,816,691</b>
<b>Denominator</b>		
Weighted average number of Sponsor Shares used in basic (loss) / earnings per share	5,750,000	6,109,461
Total weighted average number of Sponsor Shares used in basic (loss) / earnings per share	5,750,000	6,109,461
<b>Total</b>	<b>(0.88)</b>	<b>0.62</b>

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

#### 13.2 Diluted (Loss) / Earnings per share

The Company has reviewed the dilution factors and concluded that there are no instruments that have dilutive potential as at December 31, 2023 or as at December 31, 2022. As there is uncertainty as to the likelihood of a Business Combination, the potential dilutive effects of Ordinary Shares, Sponsor Warrants and Public Warrants have not been factored into the weighted average number of shares. The conditions for conversion of these instruments to equity have not been satisfied at the reporting date. As a result, diluted loss per share is deemed to be the same as basic loss per share as at December 31, 2023 and at December 31, 2022.

# Iris Financial

## Notes to Financial Statements (continued)

December 31, 2023

### 14. Contingent settlement provision

The underwriter has agreed to defer part of its underwriting commission, amounting to \$8,050,000 (which represents 3.5% of the aggregate gross proceeds of the IPO.) This deferred underwriter commission will become payable to the underwriter from the amounts held in the Escrow Account solely in the event that the Company completes a Business Combination, subject to the terms of the underwriting agreement.

In addition, as of December 31, 2023, there is \$279,510 of outstanding commitments (\$274,449 at December 31, 2022) relating to legal fees that are contingent upon a successful Business Combination.

As disclosed in Note 9, as of December 31, 2023 and December 31, 2022 the Company determined that Business Combination was not probable (i.e. that there was less than a 50% probability that a Business Combination would be completed by May 2, 2024). Accordingly, expected future cash payments are nil. Therefore, no contingent settlement provision has been recognised at December 31, 2023 nor at December 31, 2022. Management's estimate of the probability of business combination by the Business Combination Deadline for the purposes of initial recognition, is an unobservable input that requires significant judgement.

### 15. Other commitments

On June 23, 2021, the Sponsor Entity committed to loan up to \$2,000,000 as a promissory note (the "Promissory Note") to the Company to fund its expenses relating to investigating and selecting a target business and other working capital requirements after the IPO and prior to the Business Combination. As of December 31, 2023 \$300,000 had been borrowed under this loan arrangement.

On September 2, 2021, the Sponsor Entity agreed to transfer to each of the Company's non-executive directors (the "Non-Executive Directors") and two Company advisors (the "Advisors") 20,000 Sponsor Shares substantially concurrent with, and subject to, completion of the Business Combination. The Non-Executive Directors and the Advisors are not entitled to receive any other remuneration or compensation prior to completion of a Business Combination.

### 16. 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.

On April 16, 2021, the Sponsor Entity paid an aggregate purchase price of \$25,000, or \$0.0035 per share, to subscribe for an aggregate of 7,187,500 Sponsor Shares with a par value of \$0.0001 per share. A total of 937,500 Sponsor Shares were repurchased and cancelled by the Company for no consideration on March 21, 2022, and an additional 500,000 Sponsor Shares were repurchased and cancelled by the Company for no consideration on April 27, 2022. Accordingly, the aggregate number of Sponsor Shares outstanding is 5,750,000 as at December 31, 2023 and as at December 31, 2022 which represents 20% of the issued and outstanding share capital. This percentage excludes shares held in treasury. The Sponsor Shares carry voting rights of 20% of total issued and outstanding shares eligible to vote.

The Sponsor Entity committed additional funds to the Company through the subscription for 7,000,000 Sponsor Warrants, each exercisable to purchase one Ordinary Share at \$11.50 per share, subject to adjustment, at a price of \$1.00 per Sponsor Warrants, (\$7,000,000 in the aggregate), in a private placement that closed simultaneously with the closing of the IPO.

# Iris Financial

## Notes to Financial Statements (continued)

December 31, 2023

### 16. Related party transactions (continued)

On June 23, 2021 the Sponsor Entity also committed a \$2,000,000 Promissory Note to be provided to the Company to fund its expenses relating to investigating and selecting a target business and other working capital requirements after the IPO and prior to the Business Combination. The Sponsor Entity or its affiliate may, but is not obligated to, loan the Company additional funds as may be required. Up to \$2,000,000 of such loans made available from the Sponsor Entity or its affiliates may be convertible into Public Warrants of the post-Business Combination entity at a price of \$1.00 per Public Warrant at the option of the Sponsor Entity. Such Public Warrants would be identical to the Sponsor Warrants. At December 31, 2023 \$300,000 (2022: none) were borrowed under the terms of this Promissory Note.

On April 19, 2023, the Sponsor Entity gave notice to the Company of the adoption of a policy by Ripplewood Advisors LLC and its affiliates ("Ripplewood"). Subject to all applicable laws and regulations, if Ripplewood should acquire securities of a company falling within the investment mandate of any of its listed investment vehicles such as Iris Financial (a "PublicCo"), and such company later becomes a target for a potential business combination (a "Target"), Ripplewood would seek to make an offer to the board of the PublicCo to sell its shares in the Target to the PublicCo. Such sale would take place at the same time as, and would be conditional upon the completion of the PublicCo's business combination with the Target, and would be made at the same price per share as Ripplewood's entry cost (including all ancillary costs of Ripplewood's acquisition).

Accounts payable and accrued expenses due to affiliates is \$517,942 as at December 31, 2023 (2022: \$167,190) which relates to amounts owed to Ripplewood Advisors LLC. Total expenses incurred with related parties (all with Ripplewood Advisors LLC) during the year ended December 31, 2023 amounted to \$189,433 (\$651,582 during the year ended December 31, 2022). Ripplewood Advisors LLC is ultimately wholly owned and controlled by Timothy C. Collins (*Chairman of the Board – Iris Financial*).

Year ended December 31, 2023	Number of Sponsor Shares, beginning of year	Issued	Forfeited/ Dispossessed	Number of Sponsor Shares, end of year
<b>Sponsor Shares</b>				
Ripplewood Holdings I LLC <sup>(1) (2)</sup>	5,750,000	-	-	5,750,000

  

Year ended December 31, 2023	Number of Sponsor Warrants, beginning of year	Issued	Forfeited/ Dispossessed	Number of Sponsor Warrants, end of year
<b>Sponsor Warrants</b>				
Ripplewood Holdings I LLC	7,000,000	-	-	7,000,000

# Iris Financial

## Notes to Financial Statements (continued)

December 31, 2023

### 16. Related party transactions (continued)

Year ended December 31, 2022	Number of Sponsor Shares, beginning of year	Issued	Forfeited/ Dispossessed	Number of Sponsor Shares, end of year
<b>Sponsor Shares</b>				
Ripplewood Holdings I LLC <sup>(1) (2)</sup>	7,187,500	-	(1,437,500)	5,750,000
<b>Sponsor Warrants</b>				
Ripplewood Holdings I LLC	-	7,000,000	-	7,000,000

<sup>(1)</sup> Ripplewood Holdings I LLC, the Sponsor Entity, is ultimately wholly owned and controlled by Timothy C. Collins (*Chairman of the Board – Iris Financial*).

<sup>(2)</sup> As of September 2, 2022, the Sponsor Entity agreed to transfer to each of the Non-Executive Directors and the two Advisors 20,000 Sponsor Shares substantially concurrent with, and subject to, completion of the Business Combination. As of December 31, 2023, the transfer of these Sponsor Shares had not occurred. As of December 31, 2023, the Non- Executive Directors are Sergi Herrero, Ismaël Emelien, Rodney O’Neal and Sally Tenant. The Advisors are Jean-Yves Hocher and Ursula Burns.

### 17. 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.

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 year ended December 31, 2023 (December 31, 2022: Nil).

The Company has concluded that there was no impact on the results of its operations relating to taxation for the year ended December 31, 2023 (2022: none).



# Iris Financial

## Notes to Financial Statements

December 31, 2023

### 18. Accounting classification and fair value

	Carrying Value	Fair Value	Carrying Value	Fair Value	Fair value hierarchy level
	2023	2023	2022	2022	
	\$	\$	\$	\$	
<b>Financial assets measured at amortised cost</b>					
Cash	376,653	376,653	3,226,581	3,226,581	Level 1
Escrow Account	245,693,734	245,693,734	233,674,798	233,674,798	Level 1
Other receivables	4,658	4,658	4,975	4,975	Level 1
<b>Total assets</b>	<b>246,075,045</b>	<b>246,075,045</b>	<b>236,906,354</b>	<b>236,906,354</b>	
<b>Financial liabilities measured at amortised cost</b>					
Ordinary Shares, included in Units *	186,287,990	174,280,050	231,452,525	230,000,000	Level 2
Ordinary Shares	59,559,069	55,719,950	-	-	Level 2
Accounts payable and accrued expenses not due to affiliates	753,374	753,374	524,553	524,553	Level 2
Accounts payable and accrued expenses due to affiliates	517,942	517,942	167,190	167,190	Level 2
	247,118,375	231,271,316	232,144,268	230,691,743	
<b>Financial liabilities measured at FVTPL</b>					
Public Warrant Liabilities at FVTPL, included in Units	145,234	145,234	613,333	613,333	Level 3
Public Warrant Liabilities at FVTPL	46,433	46,433	-	-	Level 3
Sponsor Warrant liabilities at FVTPL	175,000	175,000	560,000	560,000	Level 3
	366,667	366,667	1,173,333	1,173,333	

\* The Fair Value of Ordinary Shares has been based on the listed price, which has not been traded since IPO.

### 19. Events after the balance sheet date

On April 19, 2024 the deadline for the consummation of the Business Combination was extended from May 2, 2024 to November 2, 2024 in a resolution approved by the Company's shareholders at an extraordinary general meeting. In addition, on March 27, 2024 the Company made a drawing of \$1,700,000 under the Promissory Note with the Sponsor Entity in order to provide for working capital costs and expenses.