

# **Iris Financial**

## **Unaudited Condensed Interim Financial Report**

**For the six months ended June 30, 2024**

# **Iris Financial**

**June 30, 2024**

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# **Iris Financial**

## **Interim Directors' Report**

**June 30, 2024**

### **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 are 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 “Revised Business Combination Deadline”). 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 are held outside the Escrow Account and are 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**

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

**June 30, 2024**

### **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 1.1 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 interim period to June 30, 2024: (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 15 – Related Party Transactions for disclosure within the unaudited interim financial statements.

### **Auditor Involvement**

These condensed interim financial statements for the six months ended June 30, 2024 have not been audited by the Company's independent auditor.

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

Elizabeth Critchley, Chief Executive Officer, hereby declares that to the best of her knowledge, the condensed interim financial statements, which have been prepared in accordance with IAS 34 (Interim Financial Reporting), give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and this interim Directors' Report includes a fair review of the information required pursuant to section 5:25d(8) and (9) of the Dutch Financial Supervision Act (Wet op het financieel toezicht).

  
September 30, 2024



# Iris Financial

## Unaudited Condensed Statement of Financial Position

At June 30, 2024

In USD

	Notes	At June 30, 2024 (Unaudited)	At December 31, 2023 (Audited)
<b>Assets</b>			
<b>Current assets</b>			
Cash	4	1,153,481	376,653
Escrow Account	5	252,308,321	245,693,734
Prepayments		91,138	80,833
Other receivables		6,875	4,658
<b>Total assets</b>		<u>253,559,815</u>	<u>246,155,878</u>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' deficit</b>			
Share capital	8	575	575
Share premium	8, 10	24,425	24,425
Retained earnings		(2,512,393)	(1,354,164)
<b>Total Shareholders' equity</b>		<u>(2,487,393)</u>	<u>(1,329,164)</u>
<b>Liabilities</b>			
Accounts payable and accrued expenses not due to Affiliates		1,092,119	753,374
Accounts payable and accrued expenses due to Affiliates	15	2,082,754	517,942
Units	3, 8.4	174,956,396	186,433,224
Ordinary Shares	8.5	77,569,718	59,559,069
Public Warrant Liabilities at fair value through profit or loss	3, 8.6	87,221	46,433
Sponsor Warrant liabilities at fair value through profit or loss	3, 8.7	259,000	175,000
<b>Total liabilities</b>		<u>256,047,208</u>	<u>247,485,042</u>
<b>Total Shareholders' equity and liabilities</b>		<u>253,559,815</u>	<u>246,155,878</u>

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

# Iris Financial

## Unaudited Condensed Statement of Comprehensive Income

For the six months ended June 30, 2024  
In USD

	Notes	Six months ended June 30, 2024	Six months ended June 30, 2023
<b>Income</b>			
Net unrealised (losses) / gains on financial liabilities at fair value through profit or loss	3	(176,000)	616,000
Interest income from Escrow Account	5	6,614,587	5,553,807
Interest income		7,885	11,691
		<u>6,446,472</u>	<u>6,181,498</u>
<b>Expenses</b>			
Interest expense calculated using the effective interest method	8	(6,482,609)	(4,917,838)
Operational expenses		<u>(1,122,092)</u>	<u>(919,711)</u>
		<u>(7,604,701)</u>	<u>(5,837,549)</u>
<b>Net (loss) / profit for the period</b>		<u>(1,158,229)</u>	<u>343,949</u>
<b>Total comprehensive (losses) / income for the period</b>		<u><u>(1,158,229)</u></u>	<u><u>343,949</u></u>
<b>(Losses) / Earnings</b>			
Basic (losses) / earnings per share	12	<u>(0.20)</u>	<u>0.06</u>
Diluted (losses) / earnings per share	12	<u>(0.20)</u>	<u>0.06</u>

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

# Iris Financial

## Unaudited Condensed Statement of Changes in Shareholders' Equity

For the six months ended June 30, 2024

In USD, except for share count

	Notes	Shares	Share capital	Share premium	Retained earnings	Total Shareholders' equity
January 1, 2024		5,750,000	\$ 575	\$ 24,425	\$ (1,354,164)	\$ (1,329,164)
Comprehensive income for the period		-	-	-	(1,158,229)	(1,158,229)
June 30, 2024		5,750,000	\$ 575	\$ 24,425	\$ (2,512,393)	\$ (2,487,393)
January 1, 2023		5,750,000	\$ 575	\$ 24,425	\$ 3,729,704	\$ 3,754,704
Comprehensive income for the period		-	-	-	343,949	343,949
June 30, 2023		5,750,000	\$ 575	\$ 24,425	\$ 4,073,653	\$ 4,098,653

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

# Iris Financial

## Unaudited Condensed Statement of Cash Flows

For the six months ended June 30, 2024

In USD

	Six months ended June 30, 2024	Six months ended June 30, 2023
<b>Cash flows from operating activities</b>		
Net (loss) / profit for the period	(1,158,229)	343,949
<b>Adjustments to reconcile net (loss) / profit for the period to net cash from operating activities</b>		
<i>Increase in or Decrease in:</i>		
Prepayments	(10,305)	(36,131)
Other receivables	(2,218)	4,975
Accounts payable and accrued expenses not due to Affiliates	338,746	(287,813)
Accounts payable and accrued expenses due to Affiliates	1,564,812	(72,702)
Interest received	6,622,472	-
<i>Adjustments for:</i>		
Interest income	(6,622,472)	(5,553,807)
Interest expense calculated using the effective interest method	6,482,609	4,917,838
Proceeds from Promissory note	(1,700,000)	-
Net unrealised losses / (gains) on financial liabilities at fair value through profit or loss	176,000	(616,000)
Net cash from operating activities	5,691,415	(1,299,691)
<b>Cash flows used in investing activities</b>		
Deposit of interest income to Escrow Account	(6,614,587)	-
Net cash used in investing activities	(6,614,587)	-
<b>Cash flows from financing activities</b>		
Proceeds from Promissory note	1,700,000	-
Net cash from financing activities	1,700,000	-
<b>Net change in cash</b>	776,828	(1,299,691)
Cash at beginning of period	376,653	3,226,581
Cash at end of period	1,153,481	1,926,890

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



# Iris Financial

## Notes to the Unaudited Condensed Interim Financial Statements

June 30, 2024

### 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 are 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 had 1 employee at June 30, 2024.

#### 1.1. Going concern

These condensed interim 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 the Unaudited Condensed Interim Financial Statements (continued)

### 1. General information

#### 1.1. 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 June 30, 2024.

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. Basis of preparation

These interim financial statements for the six months ended June 30, 2024 have been prepared in accordance with IAS 34 (*Interim Financial Reporting*), and should be read in conjunction with the Company's last annual financial statements at and for the year ended 31 December 2023 ("last annual financial statements"). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

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 recognized prospectively.

### 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).

# Iris Financial

## Notes to the Unaudited Condensed Interim Financial Statements (continued)

June 30, 2024

### 3. Fair value measurement (continued)

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 Binomial 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 June 30, 2024.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial liabilities at FVTPL</b>				
Public Warrants liabilities, attributable to Units at FVTPL	-	-	196,445	196,445
Public Warrant Liabilities at FVTPL	-	-	87,221	87,221
Sponsor Warrant liabilities at FVTPL	-	-	259,000	259,000
	-	-	542,666	542,666

The following table summarises the valuation of the Company's financial instruments within the fair value hierarchy levels as at December 31, 2023.

	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

#### 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 six months ended June 30, 2024 and year ended December 31, 2023:

	June, 30 2024 \$	December 31, 2023 \$
<b>Beginning of year</b>		
Net unrealized losses / (gains) on warrant liabilities at FVTPL	366,667	1,173,333
<b>End of period/year</b>	176,000	(806,666)
	542,667	366,667

There were no transfers between levels for the year.



# Iris Financial

## Notes to the Unaudited Condensed Interim Financial Statements (continued)

June 30, 2024

### 3. Fair value measurement (continued)

#### 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 June 30, 2024:

	Fair value \$	Valuation technique	Unobservable inputs	Range of inputs (weighted average)
Warrant liabilities	542,667	Black-Scholes Option Pricing Model and Binominal Option Pricing Model	Expected volatility Expected term (years)	3.06% 5.34 years

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

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 Unaudited Condensed Statement of Comprehensive Income.

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

As at June 30, 2024, 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 unaudited condensed interim financial statements.

# Iris Financial

## Notes to the Unaudited Condensed Interim Financial Statements (continued)

June 30, 2024

### 4. Cash

	June 30, 2024	December 31, 2023
	\$	\$
Current accounts	1,153,481	376,653

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 June 30, 2024 were \$1,125,613 and €2,677 respectively. At December 31, 2023, the balance of these accounts were \$19,707 and €300,774 respectively.

### 5. Escrow Account

	June 30, 2024	December 31, 2023
	\$	\$
Beginning of year	245,693,734	233,674,798
Interest received on Escrow Account	6,614,587	12,018,936
	252,308,321	245,693,734

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.

# Iris Financial

## Notes to the Unaudited Condensed Interim Financial Statements (continued)

June 30, 2024

### 6. Financial risk management (continued)

#### 6.1 Market risk management (continued)

##### i) Interest rate risk

As at June 30, 2024, 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.

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 June 30, 2024 and December 31, 2023:

	Interest bearing	Non- interest bearing	Interest bearing	Non-interest bearing
	June 30, 2024	June 30, 2024	December 31, 2023	December 31, 2023
	\$	\$	\$	\$
<b>Assets</b>				
Cash	1,153,481	-	376,653	-
Escrow Account	252,308,321	-	245,693,734	-
Prepayments	-	91,138	-	80,833
Other receivables	-	6,875	-	4,658
<b>Total assets</b>	<b>253,461,802</b>	<b>98,013</b>	<b>246,070,387</b>	<b>85,491</b>
	Interest bearing	Non-interest bearing	Interest bearing	Non-interest bearing
	June 30, 2024	June 30, 2024	December 31, 2023	December 31, 2023
	\$	\$	\$	\$
<b>Liabilities</b>				
Accounts payable and accrued expenses not due to affiliates	-	1,092,119	-	753,374
Accounts payable and accrued expenses due to affiliates	-	2,082,754	-	517,942
Units	-	174,956,396	-	186,433,224
Ordinary Shares	-	77,569,718	-	59,559,069
Public Warrant Liabilities at FVTPL	-	87,221	-	46,433
Sponsor Warrant liabilities at FVTPL	-	259,000	-	175,000
<b>Total liabilities</b>	<b>-</b>	<b>256,047,208</b>	<b>-</b>	<b>247,485,042</b>

A cash flow sensitivity analysis for the variable rate cash held in the Escrow Account has not been included because it is not deemed significant.



# **Iris Financial**

## **Notes to the Unaudited Condensed Interim Financial Statements (continued)**

**June 30, 2024**

### **6. Financial risk management (continued)**

#### **6.1 Market risk management (continued)**

##### **ii) Currency risk**

As at June 30, 2024, 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. 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. As at June 30, 2024, the cash available in the current account amounted to \$1,153,481.

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.

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 the Unaudited Condensed Interim Financial Statements (continued)

June 30, 2024

### 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 June 30, 2024 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	1,092,119	-	-	1,092,119
Accounts payable and accrued expenses due to affiliates	2,082,754	-	-	2,082,754
Ordinary Shares, included in Units	-	174,759,951	-	174,759,951
Public Warrant Liabilities at FVTPL, attributable to Units	-	196,445	-	196,445
Ordinary shares	-	77,569,718	-	77,569,718
Public Warrant Liabilities at FVTPL	-	87,221	-	87,221
Sponsor Warrant liabilities at FVTPL	-	259,000	-	259,000
<b>Total liabilities</b>	<b>3,174,873</b>	<b>252,872,335</b>	<b>-</b>	<b>256,047,208</b>

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>

# Iris Financial

## Notes to the Unaudited Condensed Interim Financial Statements

June 30, 2024 (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 June 30, 2024 and at December 31, 2023:

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.

#### 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 six months ended June 30, 2024 (December 31, 2023: 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 June 30, 2024, 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 the Unaudited Condensed Interim Financial Statements (continued)**

**June 30, 2024**

### **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.

#### **8.2 Preference Shares**

At June 30, 2024 and as at December 31, 2023 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.

#### **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.

# Iris Financial

## Notes to the Unaudited Condensed Interim Financial Statements (continued)

June 30, 2024

### 8. Capital instruments (continued)

#### 8.4 Units (continued)

During the period ended June 30, 2024, 1,500,000 Units were redeemed for 1,500,000 Ordinary Shares and 500,000 Public Warrants. During the year ended December 31, 2023, 5,571,995 Units were redeemed for 5,571,995 Ordinary Shares and 1,857,330 Public Warrants.

	June 30, 2024	December 31, 2023
	\$	\$
Carrying amount at beginning of the year	186,433,224	232,065,858
Amortised cost of Units converted to component parts of Ordinary Shares and Public Warrants	(18,051,437)	(59,605,502)
Interest expense calculated using effective interest method	6,482,609	14,394,534
Net unrealised gains / losses on Public Warrants, included in Units	92,000	(421,666)
<b>Carrying amount</b>	<b>174,956,396</b>	<b>186,433,224</b>
<b>Carrying amount of component parts of Units</b>		
Ordinary Shares	174,759,951	186,287,990
Public warrants	196,445	145,234

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.

Units	2024
	\$
In issue at January 1	17,428,005
Redemption of Units	(1,500,000)
In issue at June 30	15,928,005
<b>Units</b>	
	<b>2023</b>
	\$
In issue at January 1	23,000,000
Redemption of Units	(5,571,995)
In issue at December 31	17,428,005



# Iris Financial

## Notes to the Unaudited Condensed Interim Financial Statements (continued)

June 30, 2024

### 8. Capital instruments (continued)

#### 8.5 Ordinary Shares

At June 30, 2024, 24,178,005 Ordinary Shares (25,678,005 Ordinary Shares at December 31, 2023) were held in treasury, and 7,071,995 Ordinary Shares (5,571,995 at December 31, 2023) 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 June 30, 2024 and December 31, 2023), 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.

Ordinary shares	2024
	\$
Carrying amount at beginning of year	59,559,069
Amortised cost of Ordinary Shares converted from Units	18,010,649
Carrying amount at June 30, 2024	77,569,718
Ordinary shares	2023
	\$
Carrying amount at beginning of year	-
Amortised cost of Ordinary Shares converted from Units	59,559,069
Carrying amount at December 31, 2023	59,559,069

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

At June 30, 2024, 5,309,337 Public Warrants (5,809,337 at December 31, 2023) were held in treasury and 2,357,330 Public Warrants (1,857,330 at December 31, 2023) 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.

# Iris Financial

## Notes to the Unaudited Condensed Interim Financial Statements (continued)

June 30, 2024

### 8. Capital instruments (continued)

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

Public Warrant Liabilities	2024
	\$
Carrying amount at beginning of year	46,433
Fair value of Public Warrants converted from Units	12,500
Net unrealized loss on Public Warrant Liabilities at FVTPL	28,288
Carrying amount at June 30, 2024	87,221

  

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 December 31, 2023	46,433

#### 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.



# Iris Financial

## Notes to the Unaudited Condensed Interim Financial Statements (continued)

June 30, 2024

### 9. Share-based compensation (continued)

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 June 30, 2024 and December 31, 2023, the Company determined that the Business Combination is not probable (i.e. having considered the period remaining until the Business Combination Deadline, 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.

### 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. Dividends

No dividends were paid or declared by the Company during the six months ended June 30, 2024 (December 31, 2023: none).

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

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

#### Weighted-average number of Sponsor Shares

	Six months ended June 30, 2024 \$	Six months ended June 30, 2023 \$
<b>Numerator</b>		
Net (loss) / profit for the period used in basic (loss) / profit per share	(1,158,229)	343,949
<b>Total net (loss) / profit for the period used in basic (loss) / profit per share</b>	<b>(1,158,229)</b>	<b>343,949</b>
<b>Denominator</b>		
Weighted average number of Sponsor Shares used in basic (loss) / earnings per share	5,750,000	5,750,000
Total weighted average number of Sponsor Shares used in basic (loss) / earnings per share	5,750,000	5,750,000
<b>Total</b>	<b>(0.20)</b>	<b>0.06</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.

# **Iris Financial**

## **Notes to the Unaudited Condensed Interim Financial Statements (continued)**

**June 30, 2024**

### **12. (Loss) / Earning per share (continued)**

#### **12.2 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 June 30, 2024 or as at December 31, 2023. 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 June 30, 2024 and at December 31, 2023.

### **13. Contingent settlement provision**

As of June 30, 2024, there is \$274,961 of outstanding commitments (\$279,510 at December 31, 2023) relating to legal fees that are contingent upon a successful Business Combination.

As disclosed in Note 9, as of June 30, 2024 and December 31, 2023 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 June 30, 2024 nor at December 31, 2023. 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.

### **14. 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 March 27, 2024, the remaining \$1,700,000 was drawn from this facility.

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.

### **15. 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.



# Iris Financial

## Notes to the Unaudited Condensed Interim Financial Statements (continued)

June 30, 2024

### 15. Related party transactions (continued)

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 June 30, 2024 and as at December 31, 2023 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.

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 June 30, 2024, \$2,000,000 (December 31, 2023: \$300,000) was 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 \$2,082,754 as at June 30, 2024 (December 31, 2023: \$517,942) which relates to amounts owed to Ripplewood Advisors LLC. Total expenses incurred with related parties (all with Ripplewood Advisors LLC) during the six months ended June 30, 2024 amounted to \$82,754 (\$94,448 during the six months ended June 30, 2023). Ripplewood Advisors LLC is ultimately wholly owned and controlled by Timothy C. Collins (*Chairman of the Board – Iris Financial*).

Six months ended June 30, 2024	Number of Sponsor Shares, beginning of year	Issued	Forfeited/ Dispossessed	Number of Sponsor Shares, end of period
<b>Sponsor Shares</b>				
Ripplewood Holdings I LLC <sup>(1) (2)</sup>	5,750,000	-	-	5,750,000
Six months ended June 30, 2024	Number of Sponsor Warrants, beginning of year	Issued	Forfeited/ Dispossessed	Number of Sponsor Warrants, end of period
<b>Sponsor Warrants</b>				
Ripplewood Holdings I LLC	7,000,000	-	-	7,000,000



# Iris Financial

## Notes to the Unaudited Condensed Interim Financial Statements (continued)

June 30, 2024

### 15. Related party transactions (continued)

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

<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 June 30, 2024, the transfer of these Sponsor Shares had not occurred. As of June 30, 2024, the Non- Executive Directors are Sergi Herrero, Ismaël Emelien, Rodney O’Neal and Sally Tenant. The Advisors are Jean-Yves Hoher and Ursula Burns.

### 16. 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 six months ended June 30, 2024 (December 31, 2023: Nil).

The Company has concluded that there was no impact on the results of its operations relating to taxation for the six months ended June 30, 2024 (December 31, 2023: Nil).

# Iris Financial

## Notes to the Unaudited Condensed Interim Financial Statements

June 30, 2024

### 17. Accounting classification and fair value

	Carrying Value	Fair Value	Carrying Value	Fair Value	Fair value hierarchy level
	June 30, 2024	June 30, 2024	December 31, 2023	December 31, 2023	
	\$	\$	\$	\$	
<b>Financial assets measured at amortised cost</b>					
Cash	1,153,481	1,153,481	376,653	376,653	Level 1
Escrow Account	252,308,321	252,308,321	245,693,734	245,693,734	Level 1
Other receivables	6,875	6,875	4,658	4,658	Level 1
<b>Total assets</b>	<b>253,468,677</b>	<b>253,468,677</b>	<b>246,075,045</b>	<b>246,075,045</b>	
<b>Financial liabilities measured at amortised cost</b>					
Ordinary Shares, included in Units *	174,759,951	159,280,050	186,287,990	174,280,050	Level 2
Ordinary Shares	77,569,718	70,719,950	59,559,069	55,719,950	Level 2
Accounts payable and accrued expenses not due to affiliates	1,092,119	1,092,119	753,374	753,374	Level 2
Accounts payable and accrued expenses due to affiliates	2,082,754	2,082,754	517,942	517,942	Level 2
	255,504,542	233,174,873	247,118,375	231,271,316	
<b>Financial liabilities measured at FVTPL</b>					
Public Warrant Liabilities at FVTPL, included in Units	196,445	196,445	145,234	145,234	Level 3
Public Warrant Liabilities at FVTPL	87,221	87,221	46,433	46,433	Level 3
Sponsor Warrant liabilities at FVTPL	259,000	259,000	175,000	175,000	Level 3
	542,666	542,666	366,667	366,667	

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

### 18. Events after the balance sheet date

The Company has evaluated the effect of all subsequent events occurring up to the date that the financial statements were authorised for issue, and has determined that there were no subsequent events requiring adjustment to or disclosure in the financial statements.