

SPEAR Investments I B.V.

Interim Financial Report for the period 1st January 2022 to 30th June 2022

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Interim Board Report

General

SPEAR Investments I B.V. is a company with limited liability incorporated under the laws of the Netherlands with statutory seat in Amsterdam and its registered office at Prins Bernhardplein 200, 1097 JB Amsterdam, registered with the Dutch Chamber of Commerce under number 83051899.

The Company was incorporated on 9th June 2021 and admitted to listing and trading on Euronext Amsterdam on 11 November 2021 pursuant to an initial public offering in which it raised €175 million in gross proceeds.

The Company's primary objective is to complete a Business Combination with a mid-market business headquartered in Europe (including the United Kingdom) or with the majority of its operations in Europe (including the United Kingdom), having strong business fundamentals, and defensible and high-quality earnings, which use technology, innovation and/or new business models to drive strong growth and profitability, it being understood that this can be in any industry or sector.

Since the IPO, the Company has identified and engaged with a number of potential targets for Business Combination. However, it has not yet selected a target company which the Directors would propose a Business Combination with.

The Company has 15 months from the IPO Settlement Date of 15th November 2021 (the Initial Business Combination Deadline), subject to an initial three-month extension period (the First Extension) and a further three-month extension period (the Second Extension and, together with the First Extension, the Extensions), each such extension being subject to approval by its Shareholders, to complete a Business Combination (such Initial Business Combination Deadline, whether extended or not, the Business Combination Deadline).

Result

SPEAR Investments I B.V. made a profit of €2.0 million over the period from 1st January 2022 to 30th June 2022. The result is primarily driven by fair value adjustment of warrants listed on Euronext Amsterdam, administrative expenses and negative interest paid on funds held in Escrow.

Shares and Warrants

The Company has issued Special Shares totaling €43,750, a Capital Share worth €10,000 and Founder Warrants amounting to €12,226,250.

Escrow

The Proceeds of the offering and Overfunding equaling 2% of the proceeds are held on the escrow account.

Operating Expenses

The operating expenses excluding fair value adjustment of warrants for the period 1st January 2022 to 30th June 2022 amount to €0.3 million.

Management Structure

The Company maintains a one-tier board which is composed of three Executive Directors and four Non-Executive Directors. The Executive Directors are responsible for the Company's day-to-day management, which includes, among other things, formulating the strategies and policies and setting and achieving the Company's objectives. The Non-Executive Directors supervise and advise the Executive Directors. Each Executive Director and each Non-Executive Director has a duty to the Company to properly perform the duties assigned by each member and to act in the Company's interest.

Directors

As at the date of this report, the Board is composed of the following members:

Name	Age	Gender	Nationality	Position
John St. John	59	Male	British	Co-Chief Executive Officer
Jorge Lucaya	61	Male	Spanish	Co-Chief Executive Officer
Joes Leopold	56	Male	Dutch	Chief Financial Officer
Frank Dangeard	64	Male	French	Non-Executive Director
Rick Medlock	62	Male	British	Non-Executive Director
Ignacio Moreno	64	Male	Spanish	Non-Executive Director
Miriam van Dongen	53	Female	Dutch	Non-Executive Director

All Non-Executive Directors qualify as independent in accordance with the Dutch Corporate Governance Code.

Frank Dangeard is the Chairman of the Board.

Executive Directors are appointed for maximum terms of four years each.

Non-Executive Directors are appointed for a period of four years and may then be reappointed once for a period of four years.

Progress

The Company has conducted due diligence on a number of potential targets across a range of sectors. The targets have been sourced through different channels such as the network of the Sponsor firms, members of the Advisory Group and investment banks. The Company is in discussions with selected potential targets.

Number of Employees

The Company had 1 employee on 30th June 2022.

Outlook for 2022

At the end of the interim period ended 30th June 2022, the Company has not proposed a specific target company for Business Combination. SPEAR will continue its search for a proposed Business Combination with a target company to be completed before the Business Combination Deadline.

Financial Highlights as at 30th June 2022

Balance in Escrow and Corporate Bank Account: €181.4 million

Trading price of Ordinary Shares: €9.90

Trading price of Warrants: €0.22

The Company has made after-tax loss of €2.0 million over the period from 1st January 2022 to 30th June 2022.

Responsibility Statement

The board of directors of the Company (the "Board") hereby declares that to the best of its 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 Board 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).

FINANCIAL STATEMENTS

Statement of financial position as at 30th June 2022

		30 th June 2022 €000	31 st Dec 2021 €000
Assets			
Financial assets	12	177,832	178,379
Non-current assets		177,832	178,379
Cash and cash equivalents	11	3,585	6,820
VAT receivable	13	57	48
Current assets		3,642	6,868
Total assets		181,474	185,247
Equity			
Share capital	14	54	54
Share option reserve		7	7
Retained earnings		(3,675)	(5,711)
Total equity		(3,614)	(5,650)
Liabilities			
Ordinary Shares	15	170,394	170,394
Warrants	5	1,925	4,813
Founder Warrants	16	12,226	12,226
Non-current liabilities		184,546	187,433
Trade and other payables	17	543	3,464
Current liabilities		542	3,464
Total liabilities		185,088	190,897
Total equity and liabilities		181,474	185,247

Statement of profit or loss and comprehensive income for the period 1st January 2022 to 30th June 2022

		2022	2021
		€000	€000
Revenue			
Cost of sales			
Gross Profit			
Administrative expenses	4	(64)	(536)
Fair value adjustment of Warrants	5	2,888	(4,813)
Staff costs	6	(143)	(213)
Board Remuneration		(98)	(27)
Operating profit		2,584	(5,589)
Finance income			
Finance costs	8	(547)	(122)
Net Finance costs		(547)	(122)
Profit before tax		2,036	(5,711)
Income tax expense			
Profit for the period		2,036	(5,711)
Other comprehensive income for the period			
Total comprehensive income for the period		2,036	(5,711)
Earnings per share			
Basic	10	0.12	(0.33)
Diluted	10	0.12	(0.33)

Cash Flow Statement for the period 1st January 2022 to 30th June 2022

	2022	2021
	€000	€000
Cash flows from operating activities		
Operating result	2,584	(5,589)
Changes in:		
Accruals	(1,184)	1,559
Trade and other payables	(1,738)	1,905
Receivables	(9)	(48)
Interest paid	(547)	(122)
Share based payment		7
Fair value adjustment of warrants	(2,888)	
	(3,782)	(2,288)
Cash flows from financing activities		
Capital share		10
Special shares		44
Founder warrants		12,226
Ordinary shares		170,394
Warrants		4,813
Interest paid	547	
	547	187,487
Net increase in cash and cash equivalents	(3,234)	6,820
Cash and cash equivalents at beginning of the period	6,820	-
Cash and cash equivalents at end of period	3,585	6,820

Statement of changes in equity for the period 1st January 2022 to 30th June 2022

	Share Capital	Share Premium	Reserve	Retained earnings	Net Profit (Loss) for the period	Total Equity
	€000	€000	€000	€000	€000	€000
Balance at 1 st January 2022	54		7		(5,711)	(5,650)
Total comprehensive income						
Profit for the period					2,036	2,036
Transactions with owners of the Company						
Contributions and Distributions:						
Issue of special shares						
Issue of capital share						
Share based payments						
Total contributions by and distributions						
Total transactions with owners of the Company						
Balance at 30th June 2022	54		7		(3,675)	(3,614)

Notes to the Financial Statements for the period ended 30th June 2022

1. General

Reporting entity

SPEAR Investments I B.V. is a company with limited liability incorporated under the laws of the Netherlands with statutory seat in Amsterdam and its registered office at Prins Bernhardplein 200, 1097 JB Amsterdam, registered with the Dutch Chamber of Commerce under number 83051899.

Financial reporting period and purpose

The Company has prepared interim financial statements for the period 1st January 2022 to 30th June 2022.

Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The expectation is based on the assumption of the successful completion of share capital increase and the business combination.

They continue to adopt the going concern basis of accounting in preparing the financial statements.

However, there is material uncertainty over the completion of a Business Combination, which may cast significant doubt about the Company's ability to continue as a going concern.

2. Basis of preparation

Statement of Compliance

These consolidated financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS) and interpretations adopted by the European Union, where effective, for financial years beginning 1 January 2021 and also comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code.

Basis of measurement

These financial Statements have been prepared on the historical cost basis unless otherwise stated.

Functional and presentation currency

The Company's functional currency is Euro. All amounts have been rounded to the nearest whole number.

Use of judgments and estimates

The preparation of these consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are the following:

- Classification of Ordinary Shares and Warrants
- Classification of Founder Warrants
- Classification of Funds held in Escrow Account
- Deferred Underwriters Fee
- Share-based Payments

Classification of Ordinary Shares and Warrants

In view of IAS 32, the Directors have considered whether Ordinary Shares and Warrants should be recognised as equity or financial liabilities. As the share repurchase agreement allows Ordinary shareholders to repurchase shares prior to Business Combination, the Ordinary Shares and Warrants have been classified as liability.

The accounting treatment of Ordinary Shares and Warrants has been further explained in Note 3.

Classification of Founder Warrants

The Founder Warrants have been recognised as financial liability. The accounting treatment of Founder Warrants has been further explained in Note 3.

Classification of Funds held in Escrow Account

The Directors have considered the classification of the cash held in the Escrow Accounts as Cash and Cash equivalents or Financial Assets. The funds held in Escrow account will be treated as Financial Assets as the cash in the Escrow Accounts is not available for use by the Company and cannot be released until the completion of a Business Combination or the Business Combination Deadline.

Deferred Underwriters Fee

In view of IAS 37, the Directors have considered the accounting treatment for the underwriters' fee payable on Business Combination. As there is no current obligation to pay this fee or likelihood of a Business Combination in the near term, the fee has

not been recorded as an expense and has been disclosed as a contingent liability in Note 21.

Special Shares and Capital Share under IFRS 2

Regarding the Special Shares and Capital Share issued by the Company, the Management has exercised judgement in determining whether the Special Shares should be treated as financial instruments or share based payments (IFRS 2) and concluded that these instruments fall in scope of IFRS 2 as equity settled instruments, since there is an estimated difference in the fair value of the instruments issued and the amount paid.

The grant-date fair value of equity-settled share-based payment awards granted is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards.

Management has exercised judgement in determining the grant date and concluded that the grant date should be the Business Combination date as only at that point in time there is clarity over the value of the awarded Special Shares.

As a result, no expense is recognised in the statement of comprehensive income for the Special Shares owned by the Sponsors.

New and amended standards not adopted by the Company

Certain new accounting standards and interpretations have been published that are not mandatory for reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods.

3. Critical accounting policies

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other payables

These amounts represent liabilities incurred by the Company prior to the end of the financial year which are unpaid. Other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Financial Liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial liabilities at fair value through other comprehensive income include the Warrants. These financial liabilities are initially recognised at fair value with subsequent changes in fair value being recognised in the income statement.

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 recognised in the consolidated statement of comprehensive income.

The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. However, when the cash flows of the modified liability are not substantially different, the Company (i) recalculates the amortized cost of the modified financial liability by discounting the modified contractual cash flows using the original effective interest rate and (ii) recognises any adjustment in the consolidated statement of comprehensive income.

Expenses

Expenses arising from the Company's operations are accounted for in the year incurred net of VAT.

Special Shares and Capital Shares

The Company classifies Special Shares and Capital Shares as equity, applying IAS 32 §35

Ordinary Shares

The Company classifies Ordinary Shares in accordance with the guidance contained in IAS 32 Financial Instruments: Presentation. IAS 32 provides that the Company's financial instruments shall be classified on initial recognition in accordance with the substance of the contractual arrangement and the definitions of a financial liability or an equity instrument. The Company will classify each Ordinary Share as a financial liability. IFRS 9 Financial Instruments provides that at initial recognition, financial liabilities are measured at fair value. After initial recognition, financial liabilities that are not derivatives are subsequently measured at amortised cost. Accordingly, the

Company will initially recognise each Ordinary Share as a liability at its fair value and subsequently measure each Ordinary Share at amortised cost.

Warrants

The Company classifies Warrants as a derivative financial liability because not all settlement options will result in equity instrument classification. IFRS 9 Financial Instruments provides that at initial recognition, financial liabilities are measured at fair value less directly attributable transaction costs. After initial recognition, financial liabilities that are derivatives are subsequently measured at fair value. The Warrants are subject to re-measurement at each balance sheet date. With each such re-measurement, the Warrant liability will be adjusted to fair value, with the change in fair value recognised in the Company's profit or loss in the statement of comprehensive income. The Warrants are also subject to derecognition when the obligation specified in the contract is discharged or cancelled or expires.

Founder Warrants

The Founder Warrants will be settled in Ordinary Shares and can be exercised on a cashless basis. In case of cashless conversion, the conversion ratio is based on the fair value and there is no additional benefit to the holder. This cashless exercise feature violates the "fixed-for-fixed" requirement as cashless settlement results in the issuance of a variable number of shares on settlement. As the fixed-for-fixed requirement is not met, the Founder Warrants are classified as a financial liability. As the Founder Warrants were issued for a limited net investment, will be settled at a future date, and are fair valued based on the underlying equity price of the Company, the Founder Warrants are a derivative instrument in terms of IFRS 9.

4. Administrative Expenses

	2022
	€000
Accountants Fee	29
Escrow Manager	24
Listing Agent	5
Regulatory	3
Other	2
Total	63

5. Fair value adjustment of Warrants

The Warrants liabilities are measured at fair value with any gains or losses arising on changes in fair value recognised in profit or loss.

The Warrants have been stated at their market value as at 31st December 2022.

6. Staff costs

	2022	2021
	€000	€000
Salaries	124	143
Share based payment		7
Social security costs	19	2
Total	143	213

The salaries cost relates to staff working for the Company since April 2021.

The share based payment is recognised with respect to share based payment for the COO. The arrangement has been further explained in Note 20.

7. Employees

The Company has 1 employee as of 30th June 2022.

8. Finance Costs

	2022	2021
	€000	€000
Interest paid on funds held in Escrow	547	122

The funds held in Escrow at ABN Amro are subject to an interest charge of Euro sort-term interest rate (€STR) – 5bps till 14th November 2022 and Euro sort-term interest rate (€STR) – 10bps thereafter.

The funds held in Escrow at Citibank are subject to an interest charge of Euro sort-term interest rate (€STR) – 8bps

9. Income tax

The Company's tax jurisdiction is the Netherlands. The company expects to utilize its tax losses against future tax profits and has not recognized an income tax expense for the interim period.

10. Earnings per share

The Earnings per share has been calculated as follows:

	2022	2021
	€000	€000
Profit for the year attributable to the owners of the Company	(2,036)	(5,704)
Dividend paid	0	0
Earnings used in the calculation of Basic Earnings per Share	(2,036)	(5,704)
Average number of Ordinary shares	17,500	17,500
	0.12	(0.33)

Basic Earnings Per Share

Diluted earnings per share are the same as the basic earnings per share at 30th June 2022.

11. Cash and cash equivalents

The Company holds funds in the following bank accounts:

	2022	2021
	€000	€000
ABN Amro Corporate Account	3,585	6,820

12. Other financial assets

The Company holds funds in the following bank accounts:

	2022	2021
	€000	€000
ABN Amro Escrow Account	89,914	178,379
Citibank Escrow Account	87,917	
	177,832	178,379

13. VAT Receivable

The Company expects to recover VAT on all VAT invoices it has paid.

14. Share Capital

The Company's share capital comprises of the following:

	2022	2021
	€000	€000
Special Shares (4,375,000 shares / €0.01 per share)	44	44
Capital Shares (1 share / €10,000 per share)	10	10
	54	54

In addition to the above, the following shares and warrants are held in treasury by the Company for potential allotment to investors (including conversion of Special Shares) at the time of the Business Combination:

- 81,300,000 Ordinary Shares
- 30,000,000 Warrants

15. Ordinary Shares

The Company has issued 17,500,000 units at a price per unit of €10. Each unit consists of 1 Ordinary Share and ½ Warrant. Although the Ordinary Shares and the Warrants are offered in the form of units, the underlying Ordinary Shares and Warrants trade separately under the respective symbols SPR1 and SPR1W on Euronext Amsterdam.

The Company has 15 months from the Settlement Date (the Initial Business Combination Deadline), subject to an initial three month extension period (the First Extension) and a further three month extension period (the Second Extension and, together with the First Extension, the Extensions), each such extension being subject to approval by the Shareholders (as defined below), to complete a Business Combination (such Initial Business Combination Deadline, whether extended or not, the Business Combination Deadline).

The Sponsors, via the purchase of Founder Warrants, have committed additional funds equaling 2% of the proceeds of the Offering or €3,500,000 which will be held in the Escrow Account in addition to the funding from the proceeds of the Offering (as defined below). The additional funds will be used for the repurchase of the Ordinary Shares (as defined below) from Ordinary Shareholders pursuant to the share repurchase arrangement.

If the Company fails to complete a Business Combination prior to the Business Combination Deadline, it will allow all the Ordinary Shareholders to deliver their Ordinary Shares for repurchase for an amount which is equal to a pro rata share of

funds in the escrow account where the Company will hold 100% of the proceeds of the Offering and an equivalent of 2% of the proceeds of the Offering funded by the Sponsors (the Escrow Account) (without first deducting the BC Underwriting Fee (as defined below)) as determined two business days prior to the extraordinary general meeting of the Company in relation to the liquidation of the Company, which is anticipated to be €10.20 per Ordinary Share.

16. Founder Warrants

The Company raised a total of €12,226,250 from the issue of Founder Warrants. The proceeds from the founder warrants are used to cover the cost of the Offering, search for Business Combination, other running costs, interest on Escrow funds and repurchase of the Ordinary Shares including the Escrow Overfunding of €3,500,000.

17. Trade and other payables

	2022	2021
	€000	€000
Trade creditors	35	780
Balance owed to AZ Capital		413
Balance owed to STJ Advisors Group Limited		648
Accruals	375	1,559
Other creditors	133	64
	543	3,464

18. Remuneration paid to Key Management

The remuneration paid to Directors including key management personnel is below:

Name	Position	Short term employee benefits €000	Share based payment benefits €000	Total €000
John St. John	Co-Chief Executive Officer	20		20
Jorge Lucaya	Co-Chief Executive Officer	20		20
Joes Leopold	Co-Chief Executive Officer	20		20
Frank Dangeard	Non-Executive Director (chairman)	15		15
Rick Medlock	Non-Executive Director	10		10
Ignacio Moreno	Non-Executive Director	10		10
Miriam van Dongen	Non-Executive Director	10		10
Michael Rosen	Chief Operating Officer	143		143
Total		248		248

Executive and Non-Executive Directors:

The compensations as referred to in Section 2:383(1) of the Dutch Civil Code, charged in the financial year to the Company, amounted to €97,960 for statutory directors (Executive Director and Non-Executive Directors).

All remuneration for the interim period is considered short term employee benefit.

19. Related party transactions

Transactions with related parties are assumed when a relationship exists between the Company and a natural person or another entity linked to the person. This includes the relationship between the Company and its shareholders, directors and key management personnel.

Transactions are transfers of resources, services or obligations, regardless whether anything has been charged. For transactions with key management personnel refer to previous note.

Transaction with the Sponsors:

- The incorporation of the Company (including the costs thereof) including the issuance of the Founder Shares;
- the issuance of Ordinary Shares and Market Warrants to the Sponsor as part of the cornerstone investment by the Sponsor; and
- the issuance of the Founder Warrants to the Sponsor.

20. Contingent Liabilities

The Company has till 14th February 2023 to complete a Business Combination. The Business Combination deadline is subject to an initial three-month extension period and a further three-month extension period. Each extension is subject to approval by the shareholders.

In case of a first extension, the Company will have to commit €875,000 (0.5% of the proceeds of the Offering) for the repurchase of SPAC shares. In case of a second extension, the Company will have to commit a further €1,750,000 (1% of the proceeds of the Offering) for the repurchase of SPAC shares. The two extensions will give rise to a total liability of €2,625,000.

22. Subsequent Events

No major events have occurred after the balance sheet date that will have a material impact on the Financial Statements.

Approved on 27th September 2022.

John St John
Co-CEO
Executive Director

Jorge Lucaya
Co-CEO
Executive Director

Joes Leopold
Chief Financial Officer
Executive Director

Frank Dangeard
Non-Executive Director (Chairman)

Rick Medlock
Non-Executive Director

Ignacio Moreno
Non-Executive Director

Miriam van Dongen
Non-Executive Director

