ANNUAL REPORT 2023

European Healthcare Acquisition & Growth Company B.V.

CONTENTS

Report of the Board of Directors

Financial Statements

Other Information

This copy of the Annual Report 2023 of European Healthcare Acquisition & Growth Company B.V. is not in the ESEF-format as specified by the European Commission in Regulatory Technical Standard on ESEF (Regulation (EU) 2019/815). The ESEF reporting package is available at: European Healthcare Acquisition & Growth Company B.V. – Investor Relations - News & Publications (ehc-company.com)

REPORT OF THE BOARD OF DIRECTORS

This annual report of European Healthcare Acquisition & Growth Company B.V. (the "**Company**") for the financial year ended 31 December 2023 consists of the report of the board of directors of the Company (the "**Board**" and the "**Board Report**"), including the responsibility statement and other mandatory statements by the Board, the financial statements of the Company, including the accompanying notes (the "**Financial Statements**") and some other information (the "**Annual Report**").

1. ABOUT EUROPEAN HEALTHCARE ACQUISITION & GROWTH COMPANY B.V.

1.1. General

The Company was incorporated on 9 July 2021 in Amsterdam, the Netherlands, as a Dutch operators-led special purpose acquisition company incorporated under the laws of the Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) with its business address in Munich, Germany.

The Company's Class A Ordinary Shares (as defined below) and Public Warrants (as defined below) were admitted to listing and trading on Euronext Amsterdam (the "**Admission**"), the regulated market operated by Euronext Amsterdam N.V. ("**Euronext Amsterdam**") on 18 November 2021 pursuant to a private placement (the "**Private Placement**") in which it raised €200 million in gross proceeds (the "**Proceeds**") in accordance with the terms and conditions set out in the Company's prospectus which was issued on 16 November 2021 (the "**Prospectus**"). Payment for the Class A Ordinary Shares and the Public Warrants ("**Settlement**") took place on 22 November 2021 (the "**Settlement Date**").

The Company has been established for the purpose of entering into a business combination with an operating business in the form of a merger, share exchange, asset acquisition, share purchase, reorganisation or similar business combination with, or acquisition of, one or more target companies or businesses with the purpose of creating a single business (a "**Business Combination**"). The Company intends to focus on companies or businesses with principal operations in Europe in the healthcare sector, with a special focus on the subsectors Biotechnology and Specialty Pharma, Pharma Services, Medical Technology and Medical Devices, Diagnostic and Lab Services, Bioinformatics as well as Life Science Tools (the "**Specific Healthcare Sectors**"). The Company intends to acquire the shares in one or more target companies and subsequently provide management services to the target(s) for remuneration.

Since the Private Placement, the Board has been focusing on finding the right target company for the Company. In addition to the Proposed Croma Business Combination (as defined below), the Board has had early-stage as well as more advanced discussions with a number of potential target companies.

1.2. Developments 2023

1.2.1. Proposed Croma Business Combination

As disclosed on 22 December 2022, the Company entered into a business combination agreement with Croma-Pharma GmbH ("**Croma**") and the shareholders of Croma (the "**Croma Business Combination Agreement**"). Pursuant to this Croma Business Combination Agreement, a Business

Combination between the Company and Croma was proposed and agreed upon by the parties (the "**Proposed Croma Business Combination**").

On 16 May 2023, the Company convened its annual general meeting of shareholders (the "**AGM**") for 27 June 2023 and published the agenda for the AGM. One of the agenda items was the entering into and approval of the Proposed Croma Business Combination.

Following discussions with current shareholders and new investors, the Company, together with Croma and the shareholders of Croma, agreed on 21 June 2023 to (i) allow holders of Class A Ordinary Shares to stay invested in, and new investors to become shareholders of, the Company on even more attractive terms, and (ii) to reduce the minimum net cash condition from €100 million to €50 million.

By the end op the redemption period on 23 June 2023, the Company received redemption notices from its shareholders with respect to 18,585,196 Class A Ordinary Shares, resulting in redemption payments to be made at closing of the Proposed Croma Business Combination in an aggregate amount of €185.9 million.

Furthermore, the Company initiated the process to secure private investments in public equity ("**PIPE**") proceeds from selected investors.

On 26 June 2023, the Company decided to remove the voting items relating to the Proposed Croma Business Combination from the agenda of the AGM. The Company based this decision on the amount of received redemption notices, the result of then secured PIPE proceeds, and discussions with potential investors, the Company's shareholders, Croma and the shareholders of Croma, which did not result in sufficient PIPE proceeds or a further amendment of the minimum cash condition.

On 7 August 2023, the Company, Croma and the shareholders of Croma decided to terminate the Croma Business Combination Agreement and their discussions due to differing views on the realisable valuation of Croma at that moment.

1.2.2. Extraordinary General Meeting 15 November 2023

On 20 September 2023, the Board announced its intention to convene an extraordinary general meeting (an "**EGM**") to have the the general meeting of the Company (the "**General Meeting**") resolve on (i) the extension of the Original Business Combination Deadline (as defined below), and (ii) the conditional dissolution (*ontbinding*) of the Company. The EGM was held on 15 November 2023.

(i) Extension of Original Business Combination Deadline

As set out in the Prospectus, a Business Combination must be completed within the 24-month period as from 18 November 2021, the first day of trading, being 17 November 2023 (the “**Original Business Combination Deadline**”). During the EGM, the General Meeting adopted the resolution to extend the Original Business Combination Deadline with one (1) year following the Original Business Combination Deadline, being 17 November 2024 (the “**Extended Business Combination Deadline**”).

(ii) Conditional dissolution of the Company

During the EGM, the General Meeting also adopted the resolution to dissolve (*ontbinden*) the Company, which resolution will become effective on the earlier of: a) the end of the Extended Business Combination Deadline if no business combination agreement has been entered into by

the Company, or (b) 20 trading days on Euronext Amsterdam after the publication by the Company of a written notice on its website, announcing that the resolution to dissolve the Company shall become effective on such 20th trading day after the publication of such written notice. The resolution to dissolve the Company shall lapse upon the condition subsequent of the Company entering into an agreement regarding a Business Combination before the end of the Extended Business Combination Deadline.

1.2.3. Repurchase Offer: redemption of Class A Ordinary Shares

On 20 September 2023, the Company announced to, in the context of the proposed extension of the Original Business Combination Deadline, launch a redemption offer for the holders of the Class A Ordinary Shareholders to redeem their Class A Ordinary Shares under the same terms as in the event of a liquidation scenario as further detailed in the Prospectus (the "**Repurchase Offer**").

On 4 October 2023, the Company published a repurchase document relating to the Repurchase Offer (the "**Repurchase Document**").

The Redemption Offer period started on 9 October 2023 and ended of 7 November 2023.

On 7 November 2023, the Company published the results of the Repurchase Offer. Under the Repurchase Offer, 18,761,038 Class A Ordinary Shares, being 93.8% of the issued and outstanding Class A Ordinary Shares, were validly tendered for repurchase at a price of €10.17 per Class A Ordinary Share, consisting of €10.00 per Class A Ordinary Share plus the pro rata share of the net positive interest accrued on the Escrow Account (as defined below) up to and including 31 October 2023 of €0.17 per Class A Ordinary Share (the "**Repurchase Price**").

The Company initially withheld 15% from the pro rata share of the net positive interest accrued (i.e. €0.0255 per Class A Ordinary Share) to address Dutch dividend withholding tax (*dividendbelasting*). The holders of the Class A Ordinary Shares that had been validly rendered their Class A Ordinary Shares for repurchase initially received €10.1445 per Class A Ordinary Share. Class A Ordinary Shareholders (as defined below) who were not subject to Dutch dividend withholding tax could claim the withheld amount and received payment thereof on or before 30 November 2023.

Settlement of the Repurchase Offer (the "**Repurchase Settlement**") took place on 9 November 2023. Since the Repurchase Settlement, the repurchased Class A Ordinary Shares are held in treasury by the Company.

1.2.4. Expiration of Warrants

On 20 September 2023, the Board announced to, in the context of the proposed extension of the Original Business Combination Deadline, seek approval of the holders of Warrants (as defined below) to amend the terms and conditions of the Warrants (the "**Warrant T&C**") to have all Warrants expire worthless on the Original Business Combination Deadline, as the Warrants had proved to impede the Company's chances of successfully executing a Business Combination.

By the expiry of the voting deadline of 9 November 2023, 69% of the outstanding Warrants voted in favour of the amendment of the Warrant T&C. On 10 November 2023, the Company announced that the Warrants would expire worthless on the Original Business Combination Deadline. The delisting of the Warrants occurred on 17 November 2023. Accordingly, the last trading day of the Warrants was 16 November 2023.

1.2.5. Business Combination EGM

As at 31 December 2023, the Board has not yet selected a specific target company that could be proposed to the Business Combination EGM (as defined below). The Board will continue its search for a Business Combination to be completed before the end of the Extended Business Combination Deadline.

If the Company selects a target and intends to complete a Business Combination, it will convene a general meeting and propose the Business Combination for consideration and approval by the Class A Ordinary Shareholders and the holders of Founder Shares (as defined below) (the "**Business Combination EGM**"). The resolution to effect a Business Combination will require the prior approval by a majority of at least (i) a simple majority of the votes cast, or (ii) in the event that the Business Combination is structured as a merger, a two-thirds majority of the votes cast if less than half of the issued share capital is present or represented at the Business Combination EGM.

1.3. Company structure

1.3.1. Sponsors

The founders of the Company are BAUR I&C GmbH, RNRI GmbH, CCC Investment GmbH, SO I GmbH, PS Capital Management GmbH and Winners & Co. GmbH (the "**Sponsors**", also referred as the "**Founders**") which are affiliates of the Company's directors, Dr. Cornelius Baur, Dr. Thomas Rudolph, Dr. Axel Herberg, Dr. Stefan Oschmann, Mr. Peer M. Schatz and Mr. Stefan Winners, respectively.

1.3.2. Capital structure

Prior to the Repurchase Settlement, the Company's capital structure consisted of:

a. 20,000,000 class A ordinary shares with a nominal value of €0.01 per share (the "**Class A Ordinary Shares**", "**Public Shares**" or "**redeemable Ordinary Shares**"), and a holder of one or more Class A Ordinary Shares, a "**Class A Ordinary Shareholder**");
b. 150,000,000 Class A Ordinary Shares held by the Company (the "**Treasury Shares**");
c. 666,666 convertible class B shares with a nominal value of €0.01 per share (the "**Founder Shares**") held by the Founders;
d. 6,666,666 redeemable class A warrants (the "**Public Warrants**" or "**Market Warrants**"); and
e. 6,768,000 class B warrants at a price of €1.50 per warrant (the "**Founder Warrants**" and together with the Public Warrants, the "**Warrants**").

Under the Repurchase Offer, 18,761,038 Class A Ordinary Shares, being 93.8% of the issued and outstanding Class A Ordinary Shares, were validly tendered for repurchase at the Repurchase Price.

Following the Repurchase Settlement, the Company's capital structure consisted of:

a. 1,238,962 Class A Ordinary Shares;
b. 168,761,038 Treasury Shares;
c. 6,666,666 Founder Shares;
d. 6,666,666 Public Warrants; and
e. 6,768,000 Founder Warrants.

Following the expiry of the Warrants on 17 November 2023 and as at 31 December 2023, the Company's capital structure consisted of:

a. 1,238,962 Class A Ordinary Shares;
b. 168,761,038 Treasury Shares;
c. 6,666,666 Founder Shares;
d. nil Public Warrants; and
e. nil Founder Warrants.

1.3.3. Escrow

Following the Settlement, the Proceeds were held on an escrow account held at Deutsche Bank Aktiengesellschaft (the "**Escrow Account**").

During the financial year 2023, the amount on the Escrow Account was decreased by the Repurchase Price for each tendered Class A Ordinary Share in relation to the Repurchase Offer and the remaining amount of the Additional Sponsor Subscription (as defined below) which was released from the Escrow Account to the Company's bank account. Furthermore, the amount on the Escrow Account was increased with the interest accrued on the amount held in the Escrow Account.

The Escrow Account was subject to a positive interest rate of 1.89% on 1 January 2023, 2.39% on 8 February 2023, 2.89% on 22 March 2023, 3.14% on 10 May 2023, 3.39% on 21 June 2023, 3.64% on 2 August 2023, and further increased to 3.89% on 20 September 2023. In the period between the Original Business Combination Deadline and 31 December 2023, the Escrow Account was still subject to a positive interest rate of 3.89%.

1.3.4. Costs

After the Admission, the Sponsors have provided €11.6 million to the Company through the purchase of the Founder Shares, the Founder Warrants and the Additional Sponsor Subscription (as defined below).

At Settlement, the Sponsors: (i) paid an additional purchase price for the Founder Shares in the aggregate amount of €1,400,000 that was used, inter alia, to cover remuneration costs during the first 12 months after Settlement; (ii) subscribed for 5,128,000 Founder Warrants at a price of €1.50 per warrant, for an aggregate amount of €7,692,000, in a separate private placement that occurred on the Settlement Date (the "**Sponsors Capital At-Risk**") which Sponsors Capital At-Risk was used to finance the Company's working capital requirements and other running costs and expenses, except for some commissions as further detailed in the Prospectus that would, if and when due and payable, be paid from the Escrow Account; and (iii) subscribed to 1,640,000 Founder Warrants which were issued to the Sponsors at Settlement at a price of €1.50 per Founder Warrant, for an aggregate purchase price of €2,460,000 (the "**Additional Sponsor Subscription**"). The proceeds of the Additional Sponsor Subscription were used to cover the negative interest over the Escrow Account in 2021 and 2022, and the remainder was released for operating purposes of the Company.

In September 2022, the Sponsors paid an aggregate purchase price of €1,205,000 for the Founder Warrants subscribed for under the Sponsors Capital At-Risk (the "**Additional Sponsors Capital At-Risk**"). The payment of the Additional Sponsors Capital At-Risk did not result in the issuance of any additional Founder Warrants. The proceeds of the Additional Sponsors Capital At-Risk were used to pay remuneration of the Directors (as defined below) and for operational purposes of the Company.

The Founder Warrants expired worthless on 17 November 2023.

For any excess portion of the Additional Sponsor Subscription remaining after completion a Business Combination and the redemption of the remainder of the Class A Ordinary Shares, the Sponsors may elect to either request repayment of the remaining cash portion of the Additional Sponsor Subscription, in which case the Company may keep the remaining cash portion of the Additional Sponsor Subscription for discretionary use.

1.4. The Board

1.4.1. One-tier board

The Company maintains a one-tier board consisting of executive and non-executive directors. The executive directors are responsible for the day-to-day management of the Company. The non-executive directors supervise and advise the executive directors. The Board as a whole is responsible for the strategy and the management of the Company.

Following Admission, the Board comprises two executive directors (the "**Executive Directors**") and four non-executive directors (the "**Non-Executive Directors**", and together with the Executive Directors, the "**Directors**"). The composition of the Board has not changed in the financial year 2023.

Each Director has a duty to the Company to properly perform the duties assigned to them and to act in the Company's corporate interest. Under Dutch law, the corporate interest extends to the interests of all the Company's stakeholders, including its securities holders, creditors and employees.

The Board is responsible for the governance structure of the Company. As at 31 December 2023, the provisions of Dutch law, which are commonly referred to as the "large company regime" (*structuurregime*), did not apply to the Company. The Company does not intend to voluntarily apply the "large company regime".

1.4.2. Directors

The Board is comprised of professionals with experience in management, venture capital, healthcare and capital markets. The Company intends to leverage the Directors' extensive operational capabilities, significant investment experience and global networks to both identify a pipeline of opportunities and drive value in the Business Combination.

Dr. Cornelius Baur and Dr. Thomas Rudolph are Executive Directors. Dr. Cornelius Baur is the chief executive officer of the Company ("**CEO**") and is also the Company's compliance officer. Dr. Thomas Rudolph is the chief investment officer of the Company ("**CIO**") and the company secretary.

Mr. Stefan Winners, Dr. Axel Herberg, Dr. Stefan Oschmann and Mr. Peer M. Schatz are Non-Executive Directors. Mr. Stefan Winners is the chairman of the Board ("**Chairman**") and Dr. Axel Herberg has been appointed as vice-chairman of the Board. Mr. Stefan Winners and Mr. Peer M. Schatz are non-independent Non-Executive Directors. Both Dr. Axel Herberg and Mr. Stefan Oschmann are independent Non-Executive Directors.

The Company is effectively managed in Germany.

1.4.3. The Executive Directors

Dr. Cornelius Baur (male, born 1962, German) is the CEO of the Company. He started his career at McKinsey & Company in 1990, where he advised companies in the automotive, high-tech and healthcare sectors for more than 30 years. He worked in New York, Boston and Cleveland, United States, and Munich, Germany. He was elected partner in 1996, senior partner in 2001 and managing partner for Germany and Austria in 2014, a position he held until early 2021. He served on McKinsey's global shareholder committee for six years, thereof three years as chair of the finance committee, and from 2018-2021 he was also a member of the global executive team of McKinsey. During his time as a partner at McKinsey, Dr. Baur led various value creation programs for clients in healthcare and other industries as well as for private equity clients.

Dr. Baur completed an apprenticeship as an industrial clerk (*Stammhauslehre*) with Siemens Aktiengesellschaft in Munich, Germany. He holds a master's degree and a doctoral degree in management from the Ludwig Maximilian University of Munich, Germany in collaboration with BMW AG, Munich, Germany.

Dr. Thomas Rudolph (male, born in 1973, German) is the CIO of the Company. After completing Medical School and completing his doctoral thesis (oncology and molecular diagnostics), he started his career at McKinsey & Company in 2001, where he was advising companies in the pharmaceuticals and medical products practice. He was elected partner in 2007 and Senior Partner in 2013. During his 20 years at McKinsey, he has advised most European private equity funds with healthcare exposure and many other investors in healthcare. Since 2012 Thomas led McKinsey's European Healthcare Transaction Team. Since taking over that role the team has grown significantly and was involved in several of the largest healthcare transactions in EMEA in recent years. Dr. Thomas Rudolph personally conducted various due diligences across most sectors of healthcare and led the support of various exit processes. Besides his private equity/investor support role, he recently led McKinsey's German healthcare practice.

Dr. Rudolph studied medicine at the University of Tuebingen, Germany, and at Tulane University, Louisiana, United States. He received his doctoral degree from the University of Tuebingen in 2000.

1.4.4. The Non-Executive Directors

Mr. Stefan Winners (male, born 1967, German) is Chairman of the Board. He started his career in 1993 at Roland Berger Strategy Consultants as a management consultant. From 2000 to 2005, he was a member of the management board and managing director of CyPress GmbH, a subsidiary of Vogel Business Media GmbH & Co. KG. In 2005, Mr. Winners joined the Burda Group, where he held various positions until 2020. From 2005 to 2012, he was chief executive officer and chairperson of the executive board of HolidayCheck Group AG (formerly TOMORROW FOCUS AG) and from 2012 to 2019, he was member of the executive board of Hubert Burda Media Holding Geschäftsführung SE and chief executive officer and chairperson of the board of directors of Burda Digital SE. In 2021, Mr. Winners joined Lakestar SPAC I SE as chief executive officer and chief financial officer.

Mr. Winners holds an MBA from the University of Passau, Germany, and completed an Advanced Management Program (AMP) at Harvard Business School, United States.

Dr. Axel Herberg (male, born 1958, German) is vice chairman of the Board. Dr. Herberg is the chairman of the supervisory board at Gerresheimer AG where he also served as chief executive officer from 2000 to 2010. He started his career at Thyssenkrupp AG in 1986 in strategic planning until 1988. From 1988 to 1992, he was a consultant with McKinsey & Company. In 1992, Dr. Herberg

joined Gerresheimer AG as Head of Controlling and in 1996 became a member of the management board. In 2010, he left Gerresheimer to join The Blackstone Group, first as a senior managing director until 2017 and senior advisor from 2017 to 2019. He is currently active as a private investor and, next to his position as Chairman at Gerresheimer AG, holds various other supervisory and advisory board positions, including at Vetter Group and Axplora Group.

Dr. Herberg received a diploma in mechanical engineering from the University of Aachen, Germany, and a degree in economics from the University of Hamburg, Germany, and a doctoral degree in economics.

Dr. Stefan Oschmann (male, born 1957, German) joined the U.S. pharmaceutical company MSD Merck Sharp & Dohme in 1989, where he held a range of executive positions until 2011. Among others, he served as vice president of MSD Europe, managing director of MSD Germany, senior vice president for worldwide human health marketing, member of the senior management and corporate officer responsible for Europe, the Middle East, Africa and Canada and, finally, president of MSD's emerging markets. In 2011, Dr. Oschmann joined Merck KGaA. Among others, he led the healthcare business of Merck KGaA, where he headed the biopharma, consumer health, allergopharma and biosimilars divisions, he served as vice chairperson of the executive board and deputy chief executive officer of Merck KGaA and in 2016, he was appointed chief executive officer and chairperson of the executive board of Merck KGaA until April 2021.

Dr. Oschmann graduated and holds a doctoral degree in veterinary medicine from the Ludwig-Maximilians-University of Munich, Germany.

Mr. Peer M. Schatz (male, born 1965, Swiss) is a managing director of PS Capital Management GmbH and serves as a supervisory board member of Siemens Healthineers and as chairman of the supervisory board of Centogene N.V. and the advisory board of Resolve BioSciences GmbH. Prior to October 2019, Mr. Peer Schatz was chief executive officer of QIAGEN N.V. He joined QIAGEN in 1993 when the company had under 30 employees and revenues of approximately $2 million. Under his direction, QIAGEN grew to employ more than 5,200 people in over 35 locations around the world and to record annual revenues of over US$ 1.6 billion. He led more than 40 acquisitions for QIAGEN as well as its listings on NASDAQ (1996), NYSE (2018) and the Frankfurt Stock Exchange (1997). Between 2017 and 2020 he co-chaired the Precision Medicine Council of the World Economic Forum and also served as a founding member of the German Corporate Governance Commission between 2001 and 2011.

Mr. Schatz holds a master's degree in economics and social sciences from the University of St. Gallen, Switzerland, and an MBA in Finance from the University of Chicago's Booth School of Business.

1.5. Background and strategy

1.5.1. Background

The Company's intention is to complete a Business Combination with a target company or business that primarily focuses on one of the Specific Healthcare Sectors. The Company believes there are many potential targets that meet these criteria that could become attractive public companies with long-term growth potential and attractive competitive positioning, leveraging its strategic and transactional experience and bringing advice and attention to potential business combination targets.

The Company will leverage the broad expertise and unique networks of the Sponsors' principals to identify and execute a Business Combination, which the Company believes will result in an acquisition and positive transformation that enhances the overall value of its target.

To implement its strategy, the Company leverages the broad expertise and unique networks of the Sponsors' principals to identify and execute a Business Combination, which the Company believes will result in an acquisition and positive transformation that enhances the overall value of its target.

The Directors and their networks have been developed through:

- experience in sourcing, structuring, acquiring, operating, integrating and selling businesses;
- expertise in operating and executing transactions across a wide range of sectors and complex industries, including healthcare, pharmaceuticals and media, across multiple geographies and under varying economic and financial market conditions;
- expertise in accessing the capital markets, including determining financing solutions;
- experience at management and board level in operating global, renowned corporations;
- global network of relationships with potential target management teams and financing sources; and
- experience in advising companies and boards on complex matters ranging from operational strategy to strategic growth opportunities.

1.5.2. Strategy

Consistent with its strategy, the Company has identified the following general criteria and guidelines which it believes are important in evaluating prospective target companies or businesses for a Business Combination. The Company will use these criteria and guidelines in evaluating acquisition opportunities, but it may decide to enter into a Business Combination with a target company or business that does not meet these criteria and guidelines. Further, any particular business transaction opportunity which the Company ultimately determines to pursue may not meet one or more of these criteria:

- ***Strong and capable, public-ready management team***
  The Company will seek to acquire a company or business that has access to a strong and capable management team or that provides a platform for the Company to assemble an effective and experienced management team. The Company will focus on management teams with a proven track record of driving revenue growth, both organically and through external acquisitions, enhancing profitability and creating value for their shareholders.

- ***Platform potential for bolt-on deals and external growth opportunities through geographic expansion, benefitting from access to capital markets and that are natural candidates for a listing in Europe***
  The Company will seek to acquire a business that it can grow both organically and through bolt-on acquisitions. In addition, the Company believes that its ability to source proprietary opportunities and execute transactions will help the business it acquires grow via inorganic means, and thus serve as a platform for further add-on acquisitions.

- ***High switching barriers to entry or strong competitive advantage***
  The Company will seek to acquire a business that has a market position which may already have or help to create barriers to entry against new competitors and demonstrate advantages when compared to their competitors. The Company anticipates that these barriers to entry will

enhance the ability of these businesses to maintain and grow their market position and generate strong profitability.

- ***Business model with downward risk protection***
  The Company will seek to acquire a business that has a proven business case with downward risk protection. To evaluate business cases and downward risk protection, the Company believes that it will benefit from the Directors and Sponsors' principals experience in analysing business models and executing business plans.

- ***Recurring revenue with growth prospects and profitability***
  The Company will seek to acquire a business that has a history of, or potential for, strong, sustainable recurring and predictable revenue streams as well as compelling future growth prospects, and is profitable at the time of the combination.

- ***Companies in which the Directors can add further value***
  The Company will seek to acquire a business that would benefit from the operating experience and specific background of the Directors (who are the Sponsors' principals) to tangibly improve its operations and market position.

- ***Strong ESG commitment***
  The Company will seek to acquire a business which has a management that has a commitment to ESG, strong policies to comply with state-of-the art ESG policies and has principals aligned with the Directors and Sponsors on ESG.

These criteria and guidelines are not intended to be exhaustive. Any evaluation relating to the merits of a particular initial business combination might be based, to the extent relevant, on these general criteria and guidelines as well as other considerations, factors and criteria that the Company deems relevant.

The Company believes the Directors' reputation, sourcing, valuation, diligence and execution capabilities will provide the Company with a significant pipeline of opportunities from which to evaluate and select a business that will benefit from its expertise and create value for its shareholders.

1.5.3. Competitive strengths

The Company believes it has the following competitive strengths:

- ***Significant Management and Healthcare Consulting Experience***
  The Directors have significant experience in leading, advising and driving growth of healthcare and pharmaceuticals companies. The Company believes that this breadth of experience provides a competitive advantage in evaluating acquisition opportunities as well as consulting businesses in the Specific Healthcare Sectors and enabling access to key decision makers, including owners, executives and private equity funds. Additionally, it provides the Company with critical post-Business Combination support to successfully navigate in the target business while adhering to public company governance requirements.

- ***Extensive Sourcing Avenues and Strategic Industry Relationships***
  As a result of the Directors' extensive experience as principals, consultants and investors, the Company's team has developed a broad array of contacts in the Specific Healthcare Sectors, including professionals, clients and senior advisors. The Company believes the Directors offer

unique sourcing prospects bolstered by a broad network of global relationships as a result of their extensive experience as principals, consultants and investors.

- ***Deep Industry Experience***
  The Directors have long and successful track records in a broad range of industries, including healthcare and pharmaceuticals. This includes managing large corporations within the healthcare and pharmaceutical space as well as driving organic and external growth of smaller scale growth companies. The Company will seek to capitalise on the strong fundamentals of the healthcare industry driven by the following structural trends:
  a. increasing government focus and expenditure on public health in the context of the COVID-19 crisis and to reduce the risk of future pandemics going forward;
  b. ageing population, increasing chronic diseases, increasing health awareness and the need for broader access to healthcare globally;
  c. continued technical breakthrough and disruption driving innovation and R&D spend; and
  d. digitalisation becoming a key structural component of healthcare across sub-sectors.

- ***Significant Corporate and Transaction Experience***
  The Directors have deep technical knowledge across mergers and acquisitions, portfolio management, venture capital, private equity, corporate finance and strategic advisory. The Directors have a strong track record of identifying, valuing, completing diligence on, and executing business combinations. In addition, they have a deep understanding of executing and completing post-merger integration.

- ***Financial Position and Flexibility***
  The Company has the flexibility to design an acquisition structure to address the needs of the parties. The Company has not, however, taken any steps to secure third party financing and would expect to do so only in connection with the completion of the Business Combination.

- ***SPAC and De-SPAC Experience***
  The Director Mr. Stefan Winners has first-hand experience in sponsoring and managing a SPAC and identifying suitable targets. Lakestar SPAC I SE at which Mr. Stefan Winners served as chief executive officer successfully sourced a de-SPAC transaction with HomeToGo GmbH in September 2021 and was the first technology SPAC in the European market since 2010.

1.6. Research and development

Due to the nature of the Company as a special purpose acquisition company, it does not conduct any research and development activities.

1.7. Sustainability information

Given the nature of the Company as a special purpose acquisition company, the Company will provide sustainability information after the completion of the Business Combination in accordance with then applicable legislation and the DCGC (as defined below).

1.8. Progress

The Board sources leads to potential target companies from e.g. their own network, investment banks, inbounds and the broader advisory network. The Board is currently in discussions with potential target companies and regularly has informal meetings regarding potential target companies and the approach of these companies.

The Extended Business Combination Deadline allows the Company to continue its search for a potential target company to enter into a Business Combination with. The Company will pursue a sound investment for its shareholders.

1.9. Financial developments 2023

Some of the financial developments are:

- Escrow Account plus bank account balance as at 31 December 2023: €13,903k;
- trading price Class A Ordinary Shares: €10.00 (closing price at 29 December 2023, last trading day of the financial year 2023);
- trading price Public Warrants: €0.25 (closing price at 17 November 2023, last trading day on 16 November 2023).

The Company recorded an after-tax profit of € 26,552k over the period from 1 January 2023 until 31 December 2023. The result is primarily attributable to (i) the release of the financial liabilities as a result of the expiration of the Warrants, and (ii) the release of the deferred underwriting fee.

2. RISK MANAGEMENT

2.1. Risks and uncertainties

Below is a summary of certain of the risks relating to the Company, particularly as a special purpose acquisition company prior to the completion of a Business Combination and relevant with respect to the Annual Report, the Company's risk appetite, the likelihood and potential impact thereof. Further reference is made to the description of risks relating to the Company included in the Prospectus, particularly risks that may be of relevance to the Company after the completion of a Business Combination and risks relating to its securities.

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

Risk category	Risk description	Risk appetite	Likelihood	Potential impact
Strategic	After the cancellation of the Proposed Croma Business Combination, the Company has had several discussions with potential target companies but has not yet identified a specific target company to complete the Business Combination, prospective investors have no basis to evaluate the possible merits or risks of a target company's or business' operations	High	Medium	High
Financial/ Strategic	After the cancellation of the Proposed Croma Business Combination, the time and funds available for a Business Combination are limited	High	Medium	High
Strategic	The Company may face significant competition for Business Combination opportunities	High	Medium	High
Strategic	There is no assurance that the Company will identify suitable Business Combination opportunities by the Extended Business Combination Deadline	High	Medium	High
Strategic	The ability of the Company to negotiate a Business Combination on favourable terms could be affected by the limited time to complete the Business Combination	Medium	Medium	High

Risk category	Risk description	Risk appetite	Likelihood	Potential impact
Financial	The Company may be exposed to the risk of default by bank resolution proceedings of the bank holding the Escrow Account	Low	Low	High
Financial/ Strategic	Even if the Company completes the Business Combination, any operating or other improvements proposed and implemented may not be successful and they may not be effective in increasing the valuation of any business acquired	Medium	Medium	Medium
Financial	The Company could be constrained by the need to finance redemptions of Class A Ordinary Shares from any Class A Ordinary Shareholders that decide to redeem their Class A Ordinary Shares in advance of a Business Combination	Medium	Medium	High
Financial	The Company will probably need to arrange third-party financing and there can be no assurance that it will be able to obtain such financing, which could compel the Company to restructure or abandon a particular Business Combination	Low	Medium	High
Financial	The Company may not obtain an envisaged PIPE financing	Low	Medium	High
Operational	The Company may be liquidated before the completion of a Business Combination by the Extended Business Combination Deadline, or may not be able to complete a Business Combination by the Extended Business Combination Deadline, as a result of which it would cease all operations except for the purpose of winding up and liquidate, in which case Class A Ordinary Shareholders may receive less than €10.00 per Class A Ordinary Share or nothing at all in certain circumstances	High	Low	High
Operational	The Company's ability to successfully complete the Business Combination and to be successful thereafter is dependent upon a small group of individuals and other key personnel. The loss of key personnel could negatively impact the target business' success	High	Low	High
Operational	The Company's search for a target business may be materially adversely affected by the war between the Russian Federation and Ukraine, by macro economic and geopolitical conflicts and other safety threats	Low	Low	High

2.2. Main risks and uncertainties

To the extent possible, for each risk factor described below, the Company sets out how it believes it mitigates these risks. However, the Company may not be successful in deploying some or all of these mitigating actions effectively. If circumstances occur or are not sufficiently mitigated, its business, financial condition, results of operations and prospects could be material adversely affected. In addition, risks and uncertainties could cause actual results to vary from those described, which may include forward-looking statements, or could impact its ability to meet its objectives or be detrimental to its financial condition or reputation.

2.2.1. After the cancellation of the Proposed Croma Business Combination, the Company has had several discussions with potential target companies but has not yet identified a specific target company to complete the Business Combination, prospective investors have no basis to evaluate the possible merits or risks of a target company's or business' operations

The Company will seek to acquire one or more target companies or businesses with principle operations in Europe in the Specific Healthcare Sectors in a single Business Combination. After the Croma Business Combination Agreement was terminated and therefore the Proposed Croma Business Combination did not come off, the Company has not yet identified a specific potential company or target business.

The Board has had early-stage as well as more advanced discussions with a number of potential target companies. The Board regularly has informal meetings regarding potential target companies and the approach of these companies. However, at this stage there is no certainty that the Company will be able to complete a Business Combination with any of these companies. Moreover, although the Company focuses its search for a target company or business in the European healthcare industry with a special focus on the Specific Healthcare Sectors, the Company may complete its Business Combination with an operating company in another healthcare or other sector. As such, investors will have no basis on which to evaluate the possible merits or risks of any particular subsector or target company's or business's operations, results of operations, cash flows, liquidity, financial condition or prospects.

The Company has not yet identified a specific potential target company or business, and as a result the Company cannot offer any assurance that it would be able to obtain adequate information to evaluate the target company or business as part of the Company's and its advisors' due diligence efforts when evaluating a possible Business Combination. Significant costs, efforts and time could be incurred as a result of entering into negotiations before an in-depth assessment of a potential target business.

Furthermore, no assurance may be made that an investment in Class A Ordinary Shares will ultimately prove to be more favourable to investors than a direct investment, if such opportunity were available, in a target company or business.

This risk is mitigated by the fact that the Directors are dedicated and are using their best efforts to find the right target company to complete a Business Combination with. There have been multiple outreaches to potential target companies and various management meetings have taken place. In this respect, the Directors can rely on their in-depth knowledge of, and a broad network and strong reputation in the healthcare sector.

2.2.2. After the cancellation of the Proposed Croma Business Combination, the time and funds available for a Business Combination are limited

The termination of the Croma Business Combination Agreement and cancellation of the Proposed Croma Business Combination costed time and money. There will be very limited time left until the Extended Business Combination Deadline, despite the extension of the Original Business Combination Deadline. This time may not be sufficient to select another target for a business combination. Furthermore, the Company possibly does not have the capital available to cover any costs to pursue and propose a new Business Combination. As such refinancing will most likely be required.

The Company believes that the long-standing presence, operational experience and in-depth knowledge of the healthcare sector of the Directors has provided the Company with an advantage in selecting a suitable target to complete a business combination with and the Company believes it still can find a suitable partner. The risk that the Business Combination EGM will vote against a newly proposed Business Combination is considered to be low.

2.2.3. The Company may face significant competition for Business Combination opportunities

The Company expects to encounter intense competition in some or all of the Business Combination opportunities that the Company may explore. This may in turn reduce the number of potential targets available for a Business Combination or increase the consideration payable for such targets. While the Company believes there are numerous target companies or businesses that it could potentially combine with, its ability to compete will be limited by its financial resources.

The Company has a rather specific focus compared to other special purpose acquisition companies. This focus in combination with the manner in which the Company is structured may provide the Company with an advantage in relation to companies searching for a target company without such specific focus. This risk is further mitigated by the fact that the Sponsors' principals have extensive experience in investing in healthcare growth companies, the Sponsors are highly regarded in the capital markets and have obtained a strong track-record, visibility and reputation in the relevant markets, which provide the Company with a competitive advantage in identifying acquisition opportunities to complete the Business Combination.

2.2.4. There is no assurance that the Company will identify suitable Business Combination opportunities by the Extended Business Combination Deadline

The success of the Company’s business strategy is dependent on its ability to identify sufficient suitable Business Combination opportunities. The Company cannot estimate how long it will take to identify suitable Business Combination opportunities or whether it will be able to identify any suitable Business Combination opportunities at all by the Extended Business Combination Deadline. If the Company fails to complete a proposed Business Combination, it may be left with substantial unrecovered transaction costs, potentially including substantial break fees, legal costs or other expenses. Furthermore, even if an agreement is reached relating to a target company or business, the Company may fail to complete such Business Combination for reasons beyond its control. Any such event will result in a loss to the Company of the related costs incurred, which could materially adversely affect subsequent attempts to identify and enter into a Business Combination with another target company or business.

The Company believes that the long-standing presence, reputation, visibility, operational experience and extensive network of relationships in the healthcare arena developed by the Sponsors' principals should provide the Company with an advantage in accessing Business Combination opportunities in this space and allow therefore unique access to off-market transactions (i.e., transactions that involve a target business that is not widely known in the market to be available for acquisition) prior to the Extended Business Combination Deadline.

In the event that the Company does not complete a Business Combination by the Extended Business Combination Deadline, there can be no assurance as to the particular amount or value of the remaining assets at such future time of any such distribution either as a result of costs from an unsuccessful Business Combination or from other factors. Upon distribution of assets in the context of the (i) dissolution and liquidation of the Company and (ii) delisting of the Class A Ordinary Shares such costs and expenses will result in shareholders receiving less than they invested, or even nothing at all.

This financial risk for the Company's shareholders is largely mitigated by the fact that the Company still holds € 12.7 million in the Escrow Account, which can only be released upon meeting strict

requirements. Furthermore, the Company has raised proceeds from the sale of the Founder Shares, the Founder Warrants, the Additional Sponsor Subscription and the Additional Sponsors Capital At-Risk, which proceeds are considered to be sufficient to cover working capital and other running costs and expenses.

2.2.5. The ability of the Company to negotiate a Business Combination on favourable terms could be affected by the limited time to complete the Business Combination

Sellers of potential target companies or businesses may be aware that the Company must complete a Business Combination by the Extended Business Combination Deadline, it will have to wind up and liquidate. Such sellers may use this information as leverage in negotiations with the Company relating to a Business Combination, knowing that if the Company does not complete a Business Combination with that particular target, the Company may be unable to complete a Business Combination with any other target company or business within its required timeframe. This risk will increase as the Company gets closer to the Extended Business Combination Deadline. Furthermore, the Company may have limited time to conduct due diligence and may enter into the Business Combination on terms that it would not have entered into if it had undertaken more comprehensive diligence.

To mitigate this risk, the Company is committed to complete a Business Combination rather sooner than later, but it will not compromise on key deal terms solely because of the limited time left to complete a Business Combination. The Directors view time pressure not to be a significant determining factor for their decisions in identifying and selecting a target business.

2.2.6. The Company may be exposed to the risk of default by bank resolution proceedings of the bank holding the Escrow Account

The Company intends to use the remains of the Proceeds for the Business Combination. However, it cannot predict how long it will take to complete the Business Combination. Before the Company completes the Business Combination, it intends to hold the proceeds in the Escrow Account.

The Company is subject to the risks of default by bank resolution proceedings of the bank holding the Escrow Account, in which case the Company may not be able to reclaim a substantial amount or all of the proceeds in the Escrow Account.

This financial risk for the Company's shareholders is largely mitigated by the fact that the Company holds the remainder of the Proceeds and the proceeds of the Additional Sponsor Subscription. To further mitigate this risk, the Company is committed to complete a Business Combination rather sooner than later.

2.2.7. Even if the Company completes the Business Combination, any operating or other improvements proposed and implemented may not be successful and they may not be effective in increasing the valuation of any business acquired

In accordance with the target business profile, the Company may focus on completing a Business Combination. The Company may not be able to propose and implement effective operational or other improvements for the target business with which the Company completes a Business Combination. In addition, even if the Company completes a Business Combination, general economic and market conditions or other factors outside the Company’s control could make the Company’s operating strategies difficult or impossible to implement. Any failure to implement these improvements successfully and/or the failure of the improvements to deliver the anticipated benefits

could have a material adverse effect on the Company's business, financial condition, results of operations and prospects and ability to pay dividends to its shareholders.

The Company believes that the long-standing presence, operational experience and in-depth knowledge of the healthcare sector of the Directors should provide the Company with an advantage in selecting a suitable target to complete a Business Combination with. The extensive experience of the Directors reaches from capital markets to public and private M&A transactions and due diligence investigations both on a hands-on business analytic level as well as a senior executive level.

2.2.8. The Company could be constrained by the need to finance redemptions of Class A Ordinary Shares from any Class A Ordinary Shareholders that decide to redeem their Class A Ordinary Shares in advance of a Business Combination

The Company may only be able to proceed with a Business Combination if it has sufficient financial resources to pay the cash consideration required, or satisfy any minimum cash conditions under the transaction agreement, for such Business Combination taking into consideration the amounts due to the Class A Ordinary Shareholders who elect to redeem their Class A Ordinary Shares in advance of the Business Combination ("**Redeeming Shareholders**"). Financing the redemption of Class A Ordinary Shares held by Redeeming Shareholders would reduce the funds available to the Company to pay the consideration payable pursuant to the Business Combination and, as such, the Company does not have sufficient funds available to complete the Business Combination, or to satisfy any minimum cash conditions under the transaction agreement.

In the event that the aggregate cash consideration the Company would be required to pay for all Class A Ordinary Shares that are validly submitted for redemption plus any amount required to satisfy cash conditions pursuant to the terms of the Business Combination exceed the aggregate funds available to the Company, the Company will not complete the Business Combination or redeem any Class A Ordinary Shares, and all Class A Ordinary Shares submitted for redemption will be returned to the applicable Redeeming Shareholders, and the Company instead may search for an alternate Business Combination. The Company may decide to raise additional equity and/or debt, which could increase its overall financing costs and dilute the interests of non-Redeeming Shareholders, or not to complete the Business Combination, which each may adversely affect any return for investors.

2.2.9. The Company will probably need to arrange third-party financing and there can be no assurance that it will be able to obtain such financing, which could compel the Company to restructure or abandon a particular Business Combination

Although the Company has not yet identified any specific prospective target company or business and cannot currently predict the amount of additional capital that may be required, the current funds of the Company will most likely not be sufficient to complete a Business Combination of the size being contemplated by the Company. If the Company has insufficient funds available, the Company would be required to seek additional capital through an equity issuance and/or debt financing. Investors may be unwilling to subscribe for equity in the Company on attractive terms or at all. If the Company has insufficient funds and/or Treasury Shares (as defined below) available, the Company would be required to issue additional Class A Ordinary Shares via a parallel PIPE transaction to complete a Business Combination and/or seek additional capital through debt financing. Investors may be unwilling to subscribe for equity in the Company on attractive terms or

at all. Any equity issuance, as well as the issuance of shares paid as consideration to the shareholders of a target company, may (i) dilute the equity interests of the Company's existing shareholders, (ii) cause a change of control if a substantial number of Class A Ordinary Shares are issued, which may result in the existing shareholders becoming the minority, (iii) subordinate the rights of holders of Class A Ordinary Shares if preferred shares are issued with rights senior to those of the Class A Ordinary Shares, or (iv) adversely affect the market prices of the Class A Ordinary Shares. Furthermore, lenders may be unwilling to extend debt financing to the Company on attractive terms, or at all. There may be additional risks associated with incurring equity or debt financing to finance the Business Combination, including, in the case of debt financing, the imposition of operating restrictions or a decline in post-Business Combination operating results (due to increased interest expenses and/or restricted access to additional liquidity). The Company could also face further issues in an event of default under, or an acceleration of, the Company's indebtedness. The occurrence of any of these events could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

When additional equity and/or debt financing is necessary to complete a Business Combination and such financing remains unavailable or only available on terms that are unacceptable to the Company, the Company may be compelled to either restructure or abandon the proposed Business Combination, or proceed with the Business Combination on less favourable terms, which may reduce the Company's return on investment. Even if additional financing is not required to complete the Business Combination, the Company may subsequently require such financing to implement operational improvements in the target. The failure to secure additional financing or to secure such additional financing on onerous terms could have a material adverse effect on the continued development or growth of the target. Neither the Sponsors nor any other party are required to, or intend to, provide any financing to the Company in connection with, or following, the Business Combination. Any proposed funding of the consideration due for the Business Combination will be disclosed in the shareholder circular or combined circular and prospectus published in connection with the Business Combination EGM.

2.2.10. The Company may not obtain an envisaged PIPE financing

A Business Combination may subject to a closing condition in a business combination agreement that the Company needs to have a minimum cash amount available (i.e. as was included in the Croma Business Combination Agreement). If the envisaged amount of PIPE financing is not obtained, it is possible that the required minimum cash amount will not be available, in which case the Company may not be able to consummate the transactions contemplated by a business combination agreement, unless such closing condition will be waived by the parties to a business combination agreement acting jointly.

The Company believes that the long-standing presence, operational experience and in-depth knowledge of the healthcare sector of the Directors will provide the Company with an advantage in selecting a suitable target to complete a business combination with.

2.2.11. The Company may be liquidated before the completion of a Business Combination by the Extended Business Combination Deadline, or may not be able to complete a Business Combination by the Extended Business Combination Deadline, as a result of which it would cease all operations except for the purpose of winding up and liquidate, in which case Class A Ordinary Shareholders may receive less than €10.00 per Class A Ordinary Share or nothing at all in certain circumstances

If the Company decides to be liquidated before the completion of a Business Combination by the Extended Business Combination Deadline, the liquidation proceeds per Class A Ordinary Share could be less than €10.00 or even zero.

The Sponsors and the Directors have agreed that the Company must complete a Business Combination by the Extended Business Combination Deadline. The Company cannot estimate how long it will take to identify a suitable Business Combination opportunity or whether it will be able to identify any suitable Business Combination opportunity at all by the Extended Business Combination Deadline. Failure to identify a suitable Business Combination could result from factors including (but not limited to) a lack of suitable Business Combination targets and increased competition for such targets. Furthermore, even if an agreement is reached relating to a target business, the Company may fail to complete such Business Combination, because shareholders of that target business do not approve the transaction, or a required regulatory condition is not obtained, or other conditions precedent for completion for the Business Combination are not fulfilled. If the Company fails to complete a proposed Business Combination, it may be left with substantial unrecovered transaction costs, potentially including substantial break fees (which may amount to a percentage of deal value), costs of financial and legal advisers and accountants. Any such event will result in a loss to the Company of the related costs incurred, which could materially adversely affect subsequent attempts to identify and acquire a stake in another target business.

If no Business Combination is completed by the Extended Business Combination Deadline, the Company will (i) cease all operations except for those required for the purpose of its winding up, (ii) repay to each Class A Ordinary Shareholder up to €10.00 per Class A Ordinary Share (whereby such redemption will completely extinguish Class A Ordinary Shareholders' rights as shareholders (including the right to receive further liquidation distributions, if any) and pay the pro rata amount of any net positive interest accrued on the amount deposited in the Escrow Account (both excluding any proceeds from the Additional Sponsor Subscription and the Additional Sponsors Capital At-Risk not yet used), (iii) receive the remaining amounts on deposit in the Escrow Account, and (iv) as promptly as reasonably possible following such repayments under (ii) above and subject to the approval of its shareholders, liquidate and dissolve, subject, in the case of clauses (ii) and (iv), to the Company's obligations under Dutch law to provide for claims of creditors and the requirements of other applicable law.

In addition, a liquidation of the Company may take a significant amount of time. As a result, the payments to be made to the Class A Ordinary Shareholders from the funds held in the Escrow Account may be delayed.

This risk is mitigated by the fact that the Company is committed to complete a Business Combination rather sooner than later. The Directors are dedicated and are using their best efforts to find the right target company to complete a Business Combination with. There have been multiple outreaches to potential target companies and various management meetings have taken place. In this respect, the Directors can rely on their in-depth knowledge of, and a broad network and strong reputation in the healthcare sector.

2.2.12. The Company's ability to successfully complete the Business Combination and to be successful thereafter is dependent upon a small group of individuals and other key personnel. The loss of key personnel could negatively impact the target business' success

The Company's ability to successfully complete the Business Combination and the targets business' future success depends, in part, on the performance of a small group of individuals. While each possesses significant experience in targeting potential business opportunities, except for Mr. Stefan Winners, none of these individuals have been previously involved with a special purpose acquisition company. These individuals are of key importance for the identification of potential Business Combination opportunities and to complete the Business Combination. The Company believes that its success depends on the continued service of this key personnel and, except for Dr. Cornelius Baur and Dr. Thomas Rudolph, such key personnel is not required to commit any specified amount of time to the Company's affairs and, accordingly, they may have conflicts of interest in allocating their time among various business activities, including identifying potential business combinations and monitoring the related due diligence.

This risk is mitigated by the fact that the Company has well experienced, highly qualified Directors, whose skills are complementary. The Directors are personally involved both at an investment level (being the Sponsors' principals) and at board level and are dedicated to complete a Business Combination.

2.2.13. The Company's search for a target business may be materially adversely affected by the war between the Russian Federation and Ukraine, by macro economic and geopolitical conflicts and other safety threats

The extent to which the war between the Russian Federation and Ukraine, any macro economic and geopolitical conflicts and other safety threats impact the search for a Business Combination will depend on future developments, which are highly uncertain and cannot be predicted. If the disruptions caused by these events continue or become worse within the period from the date of this Annual Report until the Extended Business Combination Deadline, the Company's ability to complete a Business Combination, or the operations of a target business with which the Company ultimately completes a Business Combination, may be materially adversely affected.

It is difficult to evaluate the further disruptive effects hereof on the global economy and financial markets and therefore, the search of the Company for potential target companies and a Business Combination. The developments, as well as the related international government responses, are being closely monitored by the Company.

As a result of these global developments and economic uncertainties, the search of the Company may be adversely affected and it may be more of a challenge to valuate a potential target company, however the Company will keep focusing on underlying value and substance.

2.3. Risk management and control systems

The Board is responsible for the control environment, including risk management and internal control systems in order to properly manage the strategic, operational and other risks and uncertainties that could have a material adverse effect on the Company's business and day-to-day operations. The applicable risks and uncertainties for the Company are evaluated on a periodic basis by the Board.

The Company considers the risk of fraud and other dishonest activities within the Company to be limited given the structure of the Company and the trust among the Sponsors' principals who are the Directors. Furthermore, the Company does not engage with customers. Moreover, the Proceeds are held on the Escrow Account and may only be released under very strict conditions. The

Company has a set of internal control measures and compliance policies, including amongst others, an authorisation policy, sufficient level of segregation of duties, approval of bank payments, and a reporting and monitoring framework.

In accordance with best practice provision 1.4.3 of the DCGC, the Board is of the opinion that, to the best of its knowledge:

- the report of the Board provides sufficient insights into any deficiencies in the effectiveness of the internal risk and control systems, and no deficiencies in the effectiveness of the internal risk and control systems have been identified;
- the internal risk management and control systems of the Company provide reasonable assurance that the financial reporting as included in the financial statements do not contain any material inaccuracies;
- there is a reasonable expectation that the Company will be able to continue its operations and meet its liabilities for at least twelve months, therefore, it is appropriate to adopt the going concern basis in preparing the financial reporting; and
- there are no material risks or uncertainties that could reasonably be expected to have a material adverse effect on the continuity of the Company's operations in the coming twelve months.

3. DUTCH CORPORATE GOVERNANCE CODE

The Company is subject to the Dutch Corporate Governance Code (the "**DCGC**") which is available on: https://www.mccg.nl/publicaties/codes/2022/12/20/dutch-corporate-governance-code-2022. The DCGC is based on a "comply or explain" principle.

The DCGC was amended on 20 December 2022 and entered into force as for the financial year beginning on or after 1 January 2023. The Company has not updated its policies to reflect the changes to the DCGC. The Company aims to do so after completion of the Business Combination. In addition, the deviations from the DCGC are:

3.1. Best practice provision 2.1.5 and 2.1.6: diversity and inclusion

Best practice provisions 2.1.5 (Policy on Diversity and Inclusion (D&I policy)) and 2.1.6 (Reporting on the D&I policy): on 16 November 2021, the Board adopted a diversity policy (the "**Diversity Policy**"). Pursuant to this Diversity Policy, the Company's goal is to create an environment of inclusion and acceptance within the Company in which each person is treated equally without discrimination.

Furthermore, this Diversity Policy will be taken into account when considering the appointment and reappointment of the Directors. The Company recognises the benefits of having a diverse Board and sees diversity in the Board as an important element in maintaining a competitive advantage.

Currently, the Board presently does not meet the prescribed ratio between male and female members. When the Directors were selected, the Company could not find a female that met the requirements for a position on the Board. The Company fully recognises the benefits of having a diverse Board, but it is of the opinion that the current composition of the Board does not impact its functioning. The Board comprises two Executive Directors and four Non-Executive Directors, in total six Directors, of which all are men. The Company's objectives are to improve the gender diversity in the Board when a vacancy arises.

3.2. Best practice provision 2.1.7, 2.1.8 and 5.1.1: independence of the Non-Executive Directors

The DCGC provides that a majority of the Non-Executive Directors should be independent. The Company has two Non-Executive Directors that are independent (Dr. Stefan Oschmann and Dr. Axel Herberg) and two Non-Executive Directors that are not independent (Mr. Stefan Winners and Mr. Peer M. Schatz) (also refer to Section 12.3 (*Independence of the Non-Executive Directors*) of this Board Report). Prior to his appointment as a Non-Executive Director of the Company, Mr. Winners (as shareholder of the Sponsor Winners & Co. GmbH) was involved in the incorporation of the Company and also provided consultancy advice to the Company in connection with the preparation of the Private Placement. Accordingly, Mr. Winners will not qualify as "independent" within the meaning of best practice provision 2.1.8 DCGC. Moreover, Mr. Schatz has performed management duties as CEO of the Company from the incorporation of the Company until 17 November 2021 and will therefore also not qualify as "independent" within the meaning of best practice provision 2.1.8 DCGC. Nevertheless, the Company deems the balance of the Non-Executive Directors sufficient. The Company aims to comply with this provision after completion of the Business Combination.

3.3. Best practice provision 2.1.9 and 5.1.3: independence of the Chairman of the Board

The DCGC recommends that the chairman of the board should be independent. With effect as of the date of Admission, Mr. Stefan Winners has been appointed as Chairman. As described above, Mr. Winners does not qualify as "independent" within the meaning of best practice provisions 2.1.8 and 5.1.3 DCGC (also refer to Section 12.3 (*Independence of the Non-Executive Directors*) of this Board Report). Nevertheless, the Company has appointed Mr. Winners as Chairman as it considers Mr. Winners suitable for this position. The Company aims to comply with this provision after completion of the Business Combination.

3.4. Best practice provision 2.2.6, 2.2.7 and 5.1.5: evaluation of the Non-Executive Directors

Best practice provisions 2.2.6 (Evaluation by the supervisory board), 2.2.7 (Evaluation of the management board) and 5.1.4 (Reporting on supervision by non-executive directors): the Company does not comply with best practice provisions 2.2.6 and 2.2.7, which provide that the Board should evaluate its own functioning, the functioning of the various committees of the Board and of the individual Board members at least once per year. Given the nature of the Company and as such the limited activities and absence of an operating business this was not considered relevant at this stage. After completion of the Business Combination, it is envisaged that evaluations will take place.

3.5. Best practice provision 4.3.3: majority requirements for dismissal and overruling binding nominations

The Directors are appointed by the general meeting upon the binding nomination of the Board. The general meeting may only overrule the binding nomination by a resolution passed by a two-thirds majority of votes cast, provided such majority represents more than half of the Company's issued share capital. In addition, except if proposed by the Board, the Directors may be suspended or dismissed by the general meeting at any time by a resolution passed by a two-thirds majority of votes cast, provided such majority represents more than half of the Company's issued share capital.

The possibility to convene a new general meeting as referred to in section 2:230, paragraph 3, of the Dutch Civil Code ("**DCC**") in respect of these matters has been excluded in the Articles of Association. The Company believes that these provisions support the continuity of the Company and its business and that those provisions, therefore, are in the best interests of the shareholders and other stakeholders.

4. DISCLOSURES PURSUANT TO ARTICLE 10 OF THE EU TAKEOVER DIRECTIVE

In accordance with the Dutch Takeover Directive (Article 10) Decree (*Besluit artikel 10 overnamerichtlijn*, the "**Decree**"), the Company makes the following disclosures:

4.1. Share capital of the Company

At 31 December 2023, the issued share capital of the Company consisted of:

(a) 170,000,000 Class A Ordinary Shares, of which 168,761,038 Treasury Shares, representing 96.23% of the aggregate issued share capital; and

(b) 6,666,666 Founder Shares, representing 3.77% of the aggregate issued share capital,

each with a nominal value of €0.01 per share. No Preference Shares (as defined below) were outstanding. Any issued and outstanding Class A Ordinary Shares, Founder Shares and Preference Shares are jointly referred to as the "**Shares**".

In accordance with Dutch law and the articles of association of the Company (the "**Articles of Association**"), each issued Share confers the right to cast one vote at the general meeting. Each shareholder may cast as many votes as they hold Shares and the Board may decide that each shareholder is entitled, whether in person or represented by a person holding a written proxy, to participate in, address and (where applicable) exercise its voting rights at the Company's general meeting by electronic means of communication.

The Company holds 168,761,038 Treasury Shares. No votes may be cast on shares that are held by the Company or its direct or indirect subsidiaries or on shares for which it or its subsidiaries hold depository receipts.

For information on the rights attached to the Shares reference is made to the Articles of Association which can be found on the Company's website. To summarise, the rights attaching to the Shares comprise pre-emptive rights upon the issue of shares (which may be limited or precluded by a resolution of the Board), the right to attend the general meeting of the Company, and to speak and vote at such meeting and to resolve on the entitlement to the distribution of such amount of the Company's profit or reserves, after a proposal of the Board in this respect. Founder Shares and Preference Shares are not entitled to distributions from the general share premium reserves of the Company.

As set out in Section 1.2.4 (*Expiration of Warrants*) of this Board Report, the Warrants expired worthless on the Original Business Combination Deadline.

4.2. Limitations on the transfer of shares

4.2.1. Anti-takeover measure

The Board is authorised to implement an anti-take-over measure exercisable following completion of the Business Combination by granting to an outside foundation rights to subscribe for preference

shares in the Company's capital (the "**Preference Shares**") up to a maximum corresponding with 100% of the issued and outstanding share capital of the Company, excluding any Preference Shares, outstanding immediately prior to the exercise of these subscription rights, less one share, provided that these subscription rights shall only be granted to the foundation. Class A Ordinary Shareholders and holders of Founder Shares do not have any pre-emptive rights upon the issuance of Preference Shares and holders of Preference Shares do not have any pre-emptive right in respect of the issuance of Class A Ordinary Shares or Founder Shares. The Board refers to the relevant provisions of the Articles of Association and the Prospectus for further details on this anti-take over measure.

4.2.2. Sponsor lock-up

In the Sponsors Agreement (as defined below), the Sponsors have committed to the Company not to transfer, assign, pledge or sell and are as such bound by a contractual lock-up undertaking with respect to the Founder Shares, the Founder Warrants (i.e. which have expired by now) and the Class A Ordinary Shares obtained by them as a result of converting Founder Shares, which undertakings and applicable exceptions are further detailed in the Prospectus.

The approval of the general meeting of the Company is required for decisions of the Board regarding amendment of the provisions regarding the sponsor lock-up as stated in the Sponsors Agreement between the Company and the Sponsors. Such a resolution requires at least a majority of two-thirds of the votes cast representing more than half of the issued share capital. A second meeting as referred to in section 2:230, paragraph 3 DCC cannot be convened.

4.3. Substantial holdings

The Company and its shareholders are not subject to the substantial shareholdings and voting rights notification obligations under the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, the "**DFSA**").

4.4. Special controlling rights

No special controlling rights are attached to the Shares in the Company.

4.5. System of control for equity incentive plans

The Company does not have any equity incentive plans.

4.6. Limitations on voting rights

For all matters submitted to a vote of the Company's shareholders, including any vote in connection with the Business Combination, except as required by Dutch law, all shareholders of the Company will vote together as a single class, with each share entitling the holder to one vote.

The voting rights attached to the Shares in the Company are not restricted, and neither are the terms in which voting rights may be exercised restricted. The Sponsors will be entitled to cast a vote on any of their Shares at the Business Combination EGM, including on a resolution to effect a Business Combination. The Sponsors entered into a sponsors agreement with the Company dated 16 November 2021 (the "**Sponsors Agreement**"), pursuant to which the Sponsors and the Company committed to vote on all Shares held by them in favour of any proposed Business Combination.

4.7. Agreements with shareholders which may restrict the transfer of Shares or limit voting rights

The Company is not aware of the existence of any agreements with shareholders of the Company which may result in restrictions on the transfer of Shares or limitation of voting rights, other than the Sponsors Agreement as described above.

4.8. Appointment and dismissal of Directors and amendment of the Articles of Association

4.8.1. Appointment and dismissal of the Directors

The General Meeting shall appoint the Directors upon a binding nomination by the Board. The General Meeting may only overrule a binding nomination by the Board by a resolution passed by a two-third majority of votes cast, provided such majority represents more than half of the Company's issued share capital. A resolution of the General Meeting to appoint a Director can be adopted by simple majority of the votes cast.

The Articles of Association provide that the number of Directors is determined by the Board, but there will be at least one Executive Director and one Non-Executive Director. Upon the appointment of a person as a Director, the General Meeting shall determine whether that person is appointed as Executive Director or as Non-Executive Director. The General Meeting can only appoint individuals as Non-Executive Director.

In addition, except if proposed by the Board, the Directors may be suspended or dismissed by the General Meeting at any time by a resolution passed by a two-third majority of votes cast, provided such majority represents more than half of the Company’s issued share capital. The possibility to convene a new general meeting as referred to in section 2:230, paragraph 3 DCC in respect of these matters has been excluded in the Articles of Association. In addition, (i) the Board may suspend an Executive Director at any time by resolution passed by a majority of at least two-thirds of the votes cast representing more than half of the Directors in office and (ii) Executive Directors may be suspended or dismissed by the Non-Executive Directors at any time.

In accordance with the board rules of the Company (the “**Board Rules**”), the Non-Executive Directors have prepared a profile, taking account of the nature and the Company’s activities. The profile addresses: the desired expertise and background of the Non-Executive Directors, the desired composition of the Non-Executive Directors, the number of Non-Executive Directors and the independence of the Non-Executive Directors. The Diversity Policy should also be taken into account.

4.8.2. Amendment of the Articles of Association

An amendment of the Articles of Association would require a resolution of the General Meeting that must first be proposed by the Board. A resolution to amend the Articles of Association requires a majority of at least two-thirds of the votes cast, provided that in case of any amendments to article 5.1 and/or article 18.2 of the Articles of Association such majority shall represent more than half of the issued share capital (with the exclusion of the possibility to convene a new general meeting as referred to in section 2:230, paragraph 3 DCC). In the event of a proposal to the General Meeting to amend the Articles of Association, a copy of such proposal containing the verbatim text of the proposed amendment will be deposited at the Company’s office for inspection by shareholders and other persons holding meeting rights until the end of the meeting.

Furthermore, a copy of the proposal will be made available free of charge to shareholders and other persons holding meeting rights from the day it was deposited until the day of the meeting. A resolution of the General Meeting to amend the Articles of Association that has the effect of reducing the rights attributable to shareholders of a particular class is subject to approval of the meeting of holders of shares of that class.

A resolution of the General Meeting to amend the Articles of Association that would materially and adversely affect the rights of holders of Class A Ordinary Shares, shall require a majority of at least 65% of the votes cast.

4.9. The Board's powers especially to issue shares

Pursuant to the Articles of Association, the Board has the authority to resolve to issue Shares (either in the form of a stock dividend or otherwise) and/or grant rights to acquire Shares.

As a matter of Dutch law, an issuance of Shares by the Company requires the execution of a notarial deed to that effect.

4.10. Significant agreements and changes in the control of the Company

The Company is not a party to any significant agreements which will take effect, will be altered or will be terminated upon a change of control of the Company as a result of a public offer within the meaning of section 5:70 of the DFSA.

4.11. Redundancy agreements in the event of a public takeover bid

The Company has not concluded any agreement with the Directors that provides for any severance pay in the case of termination of such agreement in connection with a public bid within the meaning of section 5:70 of the DFSA.

5. SHAREHOLDINGS OF EXECUTIVE DIRECTORS AND NON-EXECUTIVE DIRECTORS

The Sponsors' principals are the Directors of the Company and, as of 31 December 2023, indirectly hold the following financial instruments in the Company:

- Dr. Cornelius Baur holds, indirectly through BAUR I&C GmbH, 1,266,666 Founder Shares;
- Dr. Thomas Rudolph holds, indirectly through RNRI GmbH, 1,266,666 Founder Shares;
- Dr. Axel Herberg holds, indirectly through CCC Investment GmbH, 1,266,666 Founder Shares;
- Dr. Stefan Oschmann holds, indirectly through SO I GmbH, 1,266,666 Founder Shares;
- Mr. Peer M. Schatz holds, indirectly through PS Capital Management GmbH, 1,266,666 Founder Shares; and
- Mr. Stefan Winners holds, indirectly through Winners & Co. GmbH, 333,336 Founder Shares.

As set out in Section 1.2.4 (*Expiration of Warrants*) of this Board Report, the Warrants expired worthless on the Original Business Combination Deadline.

6. REMUNERATION

This remuneration report summarises the guidelines and the principles followed by the Company in order to define and implement the Remuneration Policy (as defined below). In addition, this report includes the developments with respect to the remuneration in 2023. Lastly, this remuneration report

provides the remuneration paid to the Executive Directors and the Non-Executive Directors for the year ended 31 December 2023.

6.1. Remuneration Policy

The remuneration policy of the Company was adopted by the General Meeting on 16 November 2021 (the "**Remuneration Policy**"). This Remuneration Policy is based on the following remuneration principles:

i. it aims to attract, retain and motivate talented and skilled individuals while protecting and promoting the objectives and strategy of the Company, with due observance of the long-term value creation for the Company and enhancement of the sustainable development of the Company;
ii. it provides for a market competitive remuneration package that is focused on achieving sustainable financial results aligned with the long-term strategy of the Company and fosters alignment of interests of Directors with shareholders;
iii. it aims to prevent Directors from acting in their own interests and taking risks that are not in line with the strategy and risk appetite of the Company;
iv. it is designed in the context of competitive market trends, statutory requirements, corporate governance best practices, the societal context around remuneration and the interests of the Company's shareholders and stakeholders;
v. it takes into account the nature of the Company as a "special purpose acquisition company"; and
vi. it is simple, clear and transparent.

The Non-Executive Directors are responsible for the implementation and monitoring of the Remuneration Policy. In 2023, the Company has complied with the Remuneration Policy.

Following a Business Combination, the remuneration of the Directors, if any, shall be disclosed in the shareholder circular published in connection with the Business Combination EGM.

Even though the Company is not in principle in favour of making exceptions to the principles underlying the Remuneration Policy, the Company, upon recommendation of the Non-Executive Directors (in the absence of a remuneration committee), shall be allowed to temporarily derogate from the Remuneration Policy in exceptional circumstances as defined by the DCC. Exceptional circumstances only cover situations in which the derogation from this Remuneration Policy is necessary to serve the long-term interests and sustainability of the Company as a whole or to assure its viability. The rationale and details of any such deviation will be disclosed in the Company's Annual Report.

6.2. Remuneration developments 2023

On 20 July 2023, the Company and the Directors entered into an agreement on remuneration (the "**Remuneration Agreement**").

Due to the announcement of the Company on 26 June 2023 not to have the AGM resolve upon the Proposed Croma Business Combination (as referred to in Section 1.2.1 (*Proposed Croma Business Combination*) of this Board Report), the Directors waived their annual fees for the period from 1 July 2023 until the completion of a Business Combination or a resolution of the General Meeting resolving on the liquidation of the Company.

Pursuant to the Remuneration Agreement:

a. each Director waived vis-à-vis the Company any right and any other entitlement he may have with respect to his annual fee for services to the Company for the period from 1 July 2023 until the completion of a Business Combination or a resolution of the General Meeting resolving on the liquidation of the Company, in each case by mid-November 2023;
b. each Director undertook to pay-back to the Company any annual fee for services to the Company already received for the period starting from 1 July 2023;
c. all other provisions of the respective service agreements and Remuneration Policy shall not be waived and shall remain intact; and
d. each Director shall be entitled to the reimbursement of reasonable out-of-pocket expenses, including reasonable travel expenses, and any VAT payable thereon, provided that the underlying receipts/invoices are provided to the Company,

(the arrangements included in a. to d. together, the "**2023 Remuneration Waivers**").

6.3. Remuneration of the Executive Directors

The authority to establish the remuneration of the Executive Directors is vested with the Non-Executive Directors, with due observance of the Remuneration Policy and applicable provisions of law.

The remuneration of the Executive Directors only consists of an annual fixed fee. Executive Directors will not receive any variable remuneration and will not be granted shares and/or rights to (subscribe for) shares.

Based on their respective service agreements, Dr. Cornelius Baur and Dr. Thomas Rudolph were each entitled to receive an annual gross remuneration for their services of €470,000 each (plus the reimbursement of reasonable out-of-pocket expenses, including reasonable travel expenses, and any VAT payable thereon, provided that the underlying receipts/invoices are provided to the Company) in twelve equal instalments.

The Company has taken out a directors' and officers' liability insurance for the benefit of the Directors.

Pursuant to the 2023 Remuneration Waivers, Dr. Cornelius Baur and Dr. Thomas Rudolph have not received the part of their (fixed) annual fee from 1 July 2023 until the Original Business Combination Deadline.

The Company has not paid any remuneration to the Executive Directors after the Original Business Combination Deadline.

In the financial year 2023, the Company has not paid any other benefits to the Executive Directors.

6.4. 2023 remuneration of the Executive Directors

The remuneration of the Executive Directors is in accordance with the Remuneration Policy. There are no loans, advances or guarantees provided by the Company to or on behalf of an Executive Director.

The following table summarise the remuneration received by the Executive Directors for the years ended 31 December 2023 and 31 December 2022.

Executive Director	Year	Fixed fee	Other benefits	Total remuneration
Dr. Cornelius Baur	2023	€235,000	€7,505.37	€242,505.37
	2022	€470,000	€13,555.00	€483,555.00
Dr. Thomas Rudolph	2023	€235,000	€6,607.86	€241,607.86
	2022	€470,000	€12,000.00	€482,000.00

6.5. Remuneration of the Non-Executive Directors

The remuneration of the Non-Executive Directors shall be determined by the General Meeting, with due observance of the Remuneration Policy and applicable provisions of law. The Non-Executive Directors shall from time to time submit a clear and understandable proposal on their remuneration to the General Meeting.

The remuneration of the Non-Executive Directors reflects the time spent and responsibilities of their roles.

The remuneration of the Non-Executive Directors only consists of an annual fixed fee. Non-Executive Directors will not receive any variable remuneration and will not be granted shares and/or rights to (subscribe for) shares.

Based on his service agreement, Mr. Stefan Winners was entitled to receive an annual gross remuneration for his services as Chairman and Non-Executive Director of €240,000 (in each case plus reimbursement of reasonable out-of-pocket expenses, including reasonable travel expenses, any VAT payable thereon, provided that the underlying receipts/invoices are provided to the Company) in twelve equal instalments. Mr. Winners has continuously provided advice to the Company, and the Company expects to benefit from Mr. Winners deep experience in SPAC and de-SPAC life-cycle management, in particular for Lakestar SPAC I SE.

The Company has taken out a directors' and officers' liability insurance for the benefit of its Directors.

Based on the Remuneration Policy, the other Non-Executive Directors were entitled to receive an annual gross remuneration for their services as Non-Executive Director of €40,000 each.

Pursuant to the 2023 Remuneration Waivers, the Non-Executive Directors, have not received the part of their (fixed) annual fee from 1 July 2023 until Original Business Combination Deadline.

The Company has not paid any remuneration to the Non-Executive Directors after the Original Business Combination Deadline.

6.6. 2023 remuneration of Non-Executive Directors

The remuneration of the Non-Executive Directors is in accordance with the Remuneration Policy. There are no loans, advances or guarantees provided by the Company to or on behalf of a Non-Executive Director.

The following table summarises the remuneration received by the Non-Executive Directors for the years ended 31 December 2023 and 31 December 2022.

Non-Executive Director	Year	Fixed fee	Total remuneration
Mr. Stefan Winners	2023	€120,000	€120,000
	2022	€240,000	€240,000
Mr. Peer M. Schatz	2023	€20,000	€20,000
	2022	€40,000	€40,000
Dr. Axel Herberg	2023	€20,000	€20,000
	2022	€40,000	€40,000
Dr. Stefan Oschmann	2023	€20,000	€20,000
	2022	€40,000	€40,000

6.7. Service agreements

The Executive Directors and the Chairman have entered into a service agreement with the Company, as disclosed in the Prospectus. These service agreements terminated on the Original Business Combination Deadline.

There are no existing or proposed service agreements or letters of appointment between the other Directors and the Company.

The Directors have entered into the Remuneration Agreement (as referred to in Section 6.2 (*Remuneration developments 2023*) of this Board Report).

6.8. Severance arrangements

The Directors will not be entitled to any severance pay and are not eligible to participate in a pension scheme or other pension related benefits (see Section 4.11 (*Redundancy agreements in the event of a public takeover bid*) of this Board Report).

7. CONFLICTS OF INTEREST

Under Dutch law and the Articles of Association, a Director shall be prohibited from taking part in any discussion or decision-making that involves a subject or transaction in relation to which such Director has a direct or indirect personal conflict of interest with the Company and its business. The Articles of Association provide that if as a result of these rules, no resolution of the Board can be adopted, the resolution can nonetheless be adopted by the Board as if none of the Directors had a conflict of interest. In that case, each Director is entitled to participate in the discussion and decision-making process and to cast a vote. These rules apply equally with respect to decision-making relating to related party transactions (as defined by Dutch law) in which a Director is involved.

During 2023, no conflict of interests matters occurred with respect to the Company and the Directors.

8. RELATED PARTY TRANSACTIONS

The Company has a related party transactions policy providing for procedures for Directors to notify a potential related party transaction (the "**Related Party Transactions Policy**"). Potential related party transactions shall be subject to review by and prior approval of the Non-Executive Directors

in accordance with Dutch law. The Non-Executive Directors may approve the related party transaction only if they determine that it is in the interests of the Company and its stakeholders.

Related party transactions include transactions between the Group and "related parties" as defined in the Related Party Transactions Policy including, one or more shareholders representing 10% of the issued share capital in the Company, a director and any parties qualifying as such in accordance with IFRS (IAS 24 – Related Party Disclosures) (as defined below).

Besides the Remuneration Agreement, the Company has not entered into related party transactions in 2023.

9. CODE OF CONDUCT AND ETHICS

The Board has a code of conduct and ethics (the "**Code of Conduct and Ethics**").

The Company is committed to the principles of non-discrimination, respect for human rights and individual freedoms. Harassment, which includes unwanted sexual advances, subtle or overt pressure for sexual favours, badgering, innuendos and offensive propositions, are not tolerated. The Company is committed to conduct its purpose in accordance with the highest business, ethical, moral and legal standards, in good faith, with due care and in the best interests of the Company and its stakeholders, and the Company seeks similar standards in any legal entity it would pursue to enter into a Business Combination with.

10. AUDIT

10.1. Financial statements

The Company realised a profit of € 26,552k. The proposal to the General Meeting is to use the net income to off set the accumulated deficit. The Directors have signed the financial statements to comply with their statutory obligation pursuant to article 2:101, paragraph 2 DCC.

10.2. External auditor

The Board has evaluated the activities performed for the Company by Deloitte Accountants B.V. It is apparent that Deloitte Accountants B.V. is capable of forming an independent judgment concerning all matters that fall within the scope of its auditing task; there is a good balance between the effectiveness and efficiency of their actions, for example in relation to auditing costs, risk management and reliability.

11. STATEMENT OF THE BOARD

The Board is responsible for preparing this Annual Report in accordance with applicable laws and regulations. This Annual Report comprises the Board Report, the Financial Statements and some other information.

The Board has prepared the Financial Statements in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the European Union and the relevant provisions of Part 9, Book 2 of the DCC. In preparing the Annual Report, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

- state whether applicable IFRS as adopted by the European Union and the relevant provisions of the DCC have been followed, subject to any material deviations disclosed and explained in the annual report; and
- prepare the annual report on a going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose, with reasonable accuracy at any time, the financial position of the Company and enable them to ensure that the annual report complies with applicable law. The Board has assessed whether the risk assessment executed showed any material failings in the effectiveness of the Company's internal risk management and control systems. Though such systems are designed to manage and control risks, they can provide reasonable, but not absolute, assurance against material misstatements. Based on this assessment, to the best of the Board's knowledge and belief, no material failings of the effectiveness of the Company's internal risk management and control systems occurred and the internal risk and control systems provide reasonable assurance that the Financial Statements do not contain any errors of material importance.

With reference to section 5:25c of the DFSA, the Board confirms that, to the best of its knowledge:

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

After conducting a review of management analysis, the Directors have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors consider it appropriate to adopt the going-concern basis in preparing this Annual Report.

Dr. Cornelius Baur
Chief executive officer

Dr. Thomas Rudolph
Executive director

Mr. Stefan Winners
Chairman

Dr. Axel Herberg
Non-executive director

Dr. Stefan Oschmann
Non-executive director

Mr. Peer M. Schatz
Non-executive director

12. REPORT OF THE NON-EXECUTIVE DIRECTORS

This is the report of the Non-Executive Directors of the Company over the financial year 2023, as referred to in best practice provision 5.1.5 of the DCGC.

The Board is a one-tier board, comprising both Executive Directors having responsibility for the day-to-day management of the Company and Non-Executive Directors not having such day-to-day responsibility. The tasks of the executive and non-executive directors in a one-tier board such as the Board may be allocated under or pursuant to the articles of association, provided that the general meeting has stipulated whether such director is appointed as executive or as non-executive director and furthermore provided that the task to supervise the performance by the directors of their duties can only be performed by the non-executive directors. Regardless of an allocation of tasks, all directors remain collectively responsible for the proper management and strategy of the company (including supervision thereof in case of non-executive directors).

It is the responsibility of the Non-Executive Directors to supervise the policies carried out by the Executive Directors and the general affairs of the Company and its affiliated enterprise, including the implementation of the strategy of the Company regarding long-term value creation. In so doing, the Non-Executive Directors act solely in the interest of the Company.

With a view of maintaining supervision on the Company, the Non-Executive Directors regularly discuss the long-term business plans, the implementation of such plans and the risks associated with such plans with the Executive Directors.

Details of the current composition of the Board, including the Non-Executive Directors, and its committees are set forth in Sections 1.4 (*The Board*) and 12.5 (*Board committees*) of this Board Report.

12.1. Supervision by the Non-Executive Directors

The Non-Executive Directors supervised the policies carried out by the Executive Directors and the general affairs of the Company. In doing so, the Non-Executive Directors have also focused on the effectiveness of the Company's internal risk management and control systems, the integrity and quality of the financial reporting and the Company's long-term business plans, the implementation of such plans and the risks associated.

The Non-Executive Directors supervised the adoption and implementation of the strategies and policies by the Company, reviewed this Annual Report, including the Company's financial results, received updates on legal and compliance matters, and they have been regularly involved in the review and approval of transactions entered into with related parties. The Non-Executive Directors have also reviewed the reports of the Board and the Audit Committee (as defined below). Furthermore, the Non-Executive Directors regularly discussed the target selection and the long-term business plans of the potential targets.

12.2. Internal audit function

The Company does not have an internal audit function. The need for an internal audit function is assessed on a yearly basis by the Non-Executive Directors. The Non-Executive Directors concluded that an internal audit function is not necessary due to the nature of the Company as a special purpose acquisition company.

12.3. Independence of the Non-Executive Directors

Each non-executive director owes a duty to the Company to properly perform his duties and to act in the Company's corporate interest. Under Dutch law, the Company's corporate interest extends to the interests of all its stakeholders, including its shareholders, creditors and employees. Pursuant to best practice provisions 2.1.7 and 2.1.8 of the DCGC, at most one non-executive director does not have to meet the independence criteria as set out in the DCGC.

The Company deviates from best practice provision 2.1.7 as it has two Non-Executive Directors that are not independent Mr. Stefan Winners and Mr. Peer M. Schatz, as further described in Section 3.2 (*Best practice provision 2.1.7, 2.1.8 and 5.1.1: independence of the Non-Executive Directors*) of this Board Report.

12.4. Functioning of the Board (evaluation accountability)

As set out in Section 3.4 (*Best practice provision 2.2.6, 2.2.7 and 5.1.5: evaluation of the Non-Executive Directors*) of this Board Report, no evaluations have taken place in 2023. After completion of the Business Combination it is envisaged that evaluations will take place.

12.5. Board committees

12.5.1. Audit Committee

The Company has an audit committee (the "**Audit Committee**"), which exercises the duties as prescribed in the decree on the establishment of an audit committee (*Besluit instelling auditcommissie*).

The Audit Committee consists of the following Non-Executive Directors: Dr. Axel Herberg (chairman), Dr. Stefan Oschmann (deputy chairman) and Mr. Stefan Winners.

The duties of the Audit Committee include:

- informing the Board of the results of the statutory audit and explaining how the statutory audit has contributed to the integrity of the financial reporting and how the Audit Committee has fulfilled this process;
- monitoring the financial reporting process and making proposals to safeguard the integrity of the process;
- monitoring the effectiveness of the internal control systems, the internal audit system and the risk management system with respect to financial reporting;
- monitoring the statutory audit of the annual accounts, and in particular the process of such audit;
- monitoring the independence of the external auditor; and
- adopting procedures with respect to the selection of the external auditor.

The Audit Committee advises the Board and prepares decision-making on matters such as the supervision of the integrity and quality of the financial reporting and the effectiveness of the internal risk management and control systems. Audit Committee rules that govern the Audit Committee have been adopted by the Non-Executive Directors and are available on the Company's website (www.ehc-company.com).

In 2023, two meetings of the Audit Committee have taken place. The Audit Committee reported to the Non-Executive Directors in accordance with the DCGC. The Audit Committee discussed amongst others, the financial statements for the financial year 2022, the interim financial statements

for the period of 1 January 2022 up to and including 30 June 2022 and the cash balance of the Company.

As set out in Section 3.4 (*Best practice provision 2.2.6, 2.2.7 and 5.1.5: evaluation of the Non-Executive Directors*) of this Board Report, the Non-Executive Directors did not evaluate and supervise the performance of the Audit Committee in 2023.

12.5.2. Other committees

The Board may decide to install committees whenever it deems appropriate. Currently, other than the Audit Committee, the Board has not installed any committees as this is not required under Dutch law or the DCGC based on the current composition of the Board. If the Board would in the future consist of more than four Non-Executive Directors, it should, in addition to the existing Audit Committee, appoint from among its members a remuneration committee and a selection and appointment committee to remain in compliance with the DCGC.

In accordance with best practice provision 2.3.2 of the DCGC, if the Board decides not to establish a remuneration committee or a selection and appointment committee, the best practice provisions applicable to such committee(s) apply to all the Non-Executive Directors.

12.6. Meetings and attendance

The Board held two regular meetings in 2023. All Directors attended all the meetings, as such the absenteeism rate is zero.

12.7. Looking ahead

The Non-Executive Directors wish to thank the Executive Directors for their dedication and commitment in aiming to realise a Business Combination prior to the Extended Business Combination Deadline and their efforts with regard to the Proposed Croma Business Combination. The Non-Executive Directors continue to advise and support the Executive Directors on the completion of the Business Combination.

FINANCIAL STATEMENTS

European Healthcare Acquisition & Growth Company B.V.,

Financial statements

for the year ended 31 December 2023

Contents

	Page
Statement of profit or loss and other comprehensive income………………………………….	40
Statement of financial position………………………………………………………………	41
Statement of changes in equity………………………………………………………………	42
Statement of cash flows……………………………………………………………………	43
Notes to the financial statements……………………………………………………………	44

European Healthcare Acquisition & Growth Company B.V.

Statement of profit or loss and other comprehensive income
for the year ended 31 December 2023

	Notes	2023 €000	2022 €000
Personnel expenses	5.6	(634)	(1,244)
Deferred underwriting fee	5.7	6,000	(6,000)
Other operating expenses	5.1	(2,339)	(2,931)
Operating income / (loss)		3,027	(10,175)
Fair value adjustments of warrants	5.2	27,099	(13,692)
Effective interest on ordinary shares subject to redemption	5.3	(8,954)	(6,068)
Interest income	5.4	5,528	649
Interest expenses	5.5	0	(809)
Finance income / (costs), net		23,673	(19,920)
Income tax		(216)	0
Income / (loss) for the period		26,484	(30,095)
Other comprehensive income		0	0
Total comprehensive income / (loss) for the period, net of tax		26,484	(30,095)
Earnings per share			
Basic earnings per share	7	3.97	(4.51)
Diluted earnings per share	7	0.74	(4.51)

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

European Healthcare Acquisition & Growth Company B.V.

Statement of financial position
as at 31 December 2023

	Notes	31 December 2023 €000	31 December 2022 €000
Assets			
Current assets			
Other receivables	11	1,812	290
Deferred cost	11	169	249
Cash and cash equivalents	12	13,903	204,316
		15,884	204,855
Total assets		15,884	204,855
Equity and liabilities			
Equity			
Issued capital	13	67	67
Share premium	13	7,971	7,971
Accumulated deficit	13	(6,137)	(32,621)
Total equity		1,901	(24,583)
Current liabilities			
Redeemable ordinary shares	8	12,658	194,503
Market warrants	9	0	14,227
Founder warrants	10	0	12,872
Trade and other payables	15	1,325	1,836
Deferred underwriting fee	16	0	6,000
		13,983	229,438
Total liabilities		13,983	229,438
Total equity and liabilities		15,884	204,855

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

European Healthcare Acquisition & Growth Company B.V.

Statement of changes in equity
for the year ended 31 December 2023

	Issued capital (Note 13) €000	Share premium (Note 13) €000	Accumulated deficit (Note 13) €000	Total equity €000
At 1 January 2022	**67**	**6,767**	**(2,526)**	**4,308**
Loss for the period	0	0	(30,095)	**(30,095)**
Additional share premium	0	1,205	0	**1,205**
Other comprehensive income	0	0	0	**0**
Total comprehensive loss	0	0	(30,095)	**(30,095)**
At 31 December 2022	**67**	**7,971**	**(32,621)**	**(24,583)**
At 1 January 2023	**67**	**7,971**	**(32,621)**	**(24,583)**
Profit for the period	0	0	26,484	**26,484**
Other comprehensive income	0	0	0	**0**
Total comprehensive income	0	0	26,484	**26,484**
At 31 December 2023	**67**	**7,971**	**(6,137)**	**1,901**

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

European Healthcare Acquisition & Growth Company B.V.

Statement of cash flows

for the year ended 31 December 2023

	Notes	2023 €000	2022 €000
Operating activities			
Profit / (Loss) for the period		26,484	(30,095)
Adjustments to reconcile net loss to cash flows:			
Fair value adjustments of warrants	5.2	(27,099)	13,692
Effective interest on ordinary shares subject to redemption	5.3	8,954	6,068
Interest paid / (received), net	5.4, 5.5	(2,339)	160
Working capital adjustments:			
Decrease (+) / increase (-) in deferred costs	11	80	261
Decrease (-) / Increase (+) in deferred underwriting fee	16	(6,000)	6,000
Decrease (+) / increase (-) in other working capital	11, 15, 16	(2,032)	725
Net cash flows from operating activities		(1,952)	(3,189)
Financing activities			
Redemption related to redeemable ordinary shares	8	(190,800)	0
Transaction costs related to issuance of ordinary shares	8	0	(1,430)
Transaction costs related to issuance of founder shares	13	0	(2)
Proceeds from payments of additional share premium	10, 13	0	1,205
Interest received / (paid), net		2,339	(160)
Net cash flows from financing activities		(188,461)	(387)
Net decrease / increase in cash and cash equivalents		(190,413)	(3,576)
Cash and cash equivalents at 1 January		204,316	207,892
Cash and cash equivalents at 31 December	12	13,903	204,316

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

1. CORPORATE INFORMATION

European Healthcare Acquisition & Growth Company B.V. (the "**Company**" or "**EHC**") was incorporated on 9 July 2021 in Amsterdam, the Netherlands, as a Dutch operators-led special purpose acquisition company incorporated under the laws of the Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) with its business address in Munich, Germany. The financial statements of the Company for the period ended 31 December 2023 were authorised for publication on 25 April 2024 in accordance with a resolution of the Directors.

The Company is registered with the Netherlands Chamber of Commerce under number 83366180. The registered office of the Company is located at Theresienhoehe 28, 80339 Munich, Germany.

The Company's redeemable class A ordinary shares (the "**Public Shares**" or "**redeemable Ordinary Shares**" and a holder of one or more of such shares, an "**Ordinary Shareholder**") and redeemable class A warrants (the "**Public Warrants**" or the "**Market Warrants**") were admitted to listing and trading on the regulated market of Euronext Amsterdam on 18 November 2021 pursuant to a private placement ("**Private Placement**") in which it raised €200 million ("**Proceeds**") in gross proceeds in accordance with the terms and conditions set out in the Company's prospectus which has been issued on 16 November 2021 (the "**Prospectus**").

The Founders of the Company are BAUR I&C GmbH, RNRI GmbH, CCC Investment GmbH, SO I GmbH, PS Capital Management GmbH and Winners & Co. GmbH (the "**Sponsors**") which are affiliates of the Company's directors, Dr. Cornelius Baur, Dr. Thomas Rudolph, Dr. Axel Herberg, Dr. Stefan Oschmann, Peer Schatz and Stefan Winners, respectively.

As of the date of the Private Placement, Peer Schatz served as Chief Executive Officer ("**CEO**") of the Company. With effect as of the date of admission, Dr. Cornelius Baur has been appointed as CEO and Peer Schatz became a non-independent non-executive director. With effect as of 1 December 2021, Dr. Thomas Rudolph has been appointed as Chief Investment Officer ("**CIO**") of the Company. The CEO and the CIO are the executive directors of the Company.

The board of directors ("**Board**") of the Company also includes Stefan Winners (non-independent non-executive director) as well as Dr. Axel Herberg and Dr. Stefan Oschmann (independent non-executive directors). With effect as of the date of the admission, Peer Schatz became a non-independent non-executive director. Also, with effect as of the date of admission, Stefan Winners has been appointed as chairman of the Board. The non-executive directors together with the executive directors are the directors of the Company. The Company is effectively managed in Germany.

The Company has been established for the purpose of entering into a business combination with an operating business in the form of a merger, share exchange, asset acquisition, share purchase, reorganisation or similar business combination with, or acquisition of, one or more target companies or businesses with the purpose of creating a single business (a "**Business Combination**"). The Company intends to focus on companies or businesses with principal operations in Europe in the healthcare sector, with a special focus on the subsectors Biotechnology and Specialty Pharma,

Pharma Services, Medical Technology and Medical Devices, Diagnostic and Lab Services, Bioinformatics as well as Life Science Tools (the “**Specific Healthcare Sectors**”). The Company intends to acquire the shares in one or more target companies and subsequently provide management services to the target(s) for remuneration.

The Company has the legal ownership of the Proceeds. In order to ensure that the Proceeds are used for no other purpose than the situations as disclosed, the Company entered into an escrow agreement with Deutsche Bank AG (the "**Escrow Agreement**"). Following the Private Placement, 100% of the Proceeds have been transferred to an escrow account (the "**Escrow Account**"). Pursuant to the Escrow Agreement, the amounts held in the Escrow Account will generally not be released unless and until the occurrence of the earlier of a Business Combination or liquidation.

The Company intended to seek a suitable target for the Business Combination in the Specific Healthcare Sector. The Company will has had 24 months from the first day of trading to consummate a Business Combination

On 22 December 2022 the Company entered into a business combination agreement with Croma-Pharma GmbH (“**Croma**”) and the shareholders of Croma. However, on 7 August 2023 EHC, Croma and Croma’s shareholders decided to terminate the business combination agreement and their discussions due to differing views on the currently realisable value of Croma.

At and after the extraordinary general meeting of shareholders held on 17 November 2023 it had been concluded that EHC will extend the original business combination deadline, being 17 November 2023, by twelve months until 17 November 2024 or such earlier date as announced by the Company.

EHC also decided to launch a redemption offer for the Public Shares. Public Shareholders were invited to tender all or part of their Public Shares for repurchase by the Company at a price of €10.17 per Public Share, consisting of €10.00 per Public Share plus the pro rata share of the net positive interest to be accrued on the escrow account up to and including 31 October 2023 of €0.17 per Public Share.

On 7 November 2023 EHC announced that 18,761,038 redeemable Ordinary Shares in the capital of the Company, being 93.8% of the issued and outstanding Public Shares, were validly tendered for repurchase at a price of €10.17 per Public Share, consisting of €10.00 per Public Share plus the pro rata share of the net positive interest accrued on the escrow account up to and including 31 October 2023 of €0.17 per Public Share. The Public Shares outstanding following the settlement of the repurchase offer were therefore reduced to 1,238,962 and the Public Shares to be held in treasury following settlement of the repurchase offer increased to 168,761,038.

On 10 November 2023 EHC announced that the Public Warrants and the class B warrants (the **"Founder Warrants**" and together with the Public Warrants, the "**Warrants**") expired worthless on the original business combination deadline, being 17 November 2023, based on a previously approved change of the terms and condition of the Warrants.

Therefore, the Company has 1,238,962 redeemable Ordinary Shares issued and outstanding as at 31 December 2023 which are traded on the regulated market of Euronext Amsterdam under the symbol “EHCS” since 18 November 2021. The Public Warrants are no longer traded on the regulated market of Euronext Amsterdam since they expired worthless.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation

These financial statements have been prepared in accordance and compliance with International Financial Reporting Standards and interpretations as adopted by the European Union (“**IFRS-EU**”), where effective, for financial years beginning 1 January 2023 and also comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code.

The Company was incorporated on 9 July 2021. The period from 9 July 2021 to 31 December 2021 is the first year of incorporation. In accordance with the articles of association the reporting year is the calendar year.

Following the Business Combination, the Company intends to provide management services to the target(s) for remuneration. The Company’s operations are not affected by significant seasonal or cyclical patterns.

2.2. Going concern

These financial statements have been prepared on a going concern basis. At and after the extraordinary general meeting of shareholders held on 17 November 2023 it had been concluded that EHC will extend the original business combination deadline by twelve months until 17 November 2024 or such earlier date as announced by the Company (the “**Extended Business Combination Deadline**”). The costs relating to the search for a target company and the completion of a Business Combination are expected to be covered by the proceeds from the issuance of the Founder Shares and Warrants and the Additional Sponsor Subscription. However, the Company cannot assure any investors in the Company that this expectation is accurate. Any investor in the Company should always consider the risk factors set out in the Prospectus and in this Annual Report.

If the Company does not complete a Business Combination before 17 November 2024, the Company shall be liquidated. In the event of a liquidation, the distribution of the Company’s assets and the allocation of the liquidation surplus shall be completed, after payment of the Company’s creditors and settlement of its liabilities, in accordance with the rights of the Founder Shares and the Ordinary Shares and in accordance with a pre-determined order of priority. If a Business Combination fails to close, this would then indicate the existence of a material uncertainty, which may cast significant doubt about the company’s ability to continue as a going concern.

The (financial) risk for the shareholders is largely mitigated by the fact that the Company holds €12.7 million in the Escrow Account, which can only be released upon meeting strict requirements. The Company has raised proceeds from the sale of the Founder Shares and the Founder Warrants.

The cash balance as of 31 December 2023 together with the other assets capitalised are sufficient to cover working capital and other running costs and expenses.

2.3. New accounting developments

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

2.4. Summary of significant accounting policies

International accounting standards include IFRS, IAS (International Accounting Standards) and their interpretations (Standing Interpretations Committee) and IFRICs (International Financial Reporting Interpretations Committee).

The repository adopted by the European Commission is available on the following internet site: https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/financial-reporting_en

2.4.1. Functional and presentation currency

These financial statements are presented in Euro, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated ("€000" or "€ k").

2.4.2. Basis of measurement

These financial statements have been prepared on a historical cost convention, unless stated otherwise.

2.4.3. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date i.e. the date that the Company commits to purchase or sell the asset.

Financial assets: The Company classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- the entity's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial asset.

The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit and loss, transaction costs.

Financial assets measured at amortised cost: This is the category most relevant to the Company. A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are subsequently measured using

the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit and loss when the asset is derecognised, modified or impaired.

The Company includes in this category cash and cash equivalents.

Financial liabilities: The financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or financial liabilities at amortised cost.
The Company's financial liabilities include trade and other payables, interest-bearing loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities measured at amortised cost: This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

The Company includes in this category redeemable Ordinary Shares, interest-bearing loans and borrowings and trade and other payables.

Financial liabilities measured at fair value through profit or loss: Financial liabilities measured at fair value through profit or loss include Warrants. These financial liabilities are initially recognised at fair value with subsequent changes in fair value being recognised in the income statement.

Derecognition: A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Impairment of financial assets: The Company has chosen to apply an approach similar to the simplified approach for expected credit losses ("**ECL**") under IFRS 9 to its financial assets. Therefore, the Company recognises a loss allowance based on lifetime ECLs at each reporting date. The Company's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions.

2.4.4. Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. The carrying amounts of these approximate their fair value. This includes the cash & cash equivalents which are stored on the Company's Escrow Account.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.4.5. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

2.4.6. Taxes

Income tax recognised in the statement of profit or loss and other comprehensive income includes current and deferred tax.

(i) Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss and other comprehensive income.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax assets are tested for impairment on the basis of a tax planning derived from management business plans.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

2.4.7. Classification of the instruments issued by the Company

The Company has assessed the instruments issued by the Company whether they should be accounted for as share-based payments within the scope of IFRS 2 or as financial instruments within the scope of IAS 32 *Financial instruments*. This assessment involves consideration of all terms and conditions attached to the instruments and as to whether the instruments were issued by the Company for a service to the Company, potentially at a discount or subject to service or performance conditions. The Board concluded that the Ordinary Shares, the Founder Shares as well as the Market Warrants and the Founder Warrants should be accounted for under IAS 32.

(i) Redeemable Ordinary Shares

The Board assessed the classification of redeemable Ordinary Shares in accordance with IAS 32 and concluded that the redeemable Ordinary Shares do not meet the criteria for equity treatment and must be recorded as liabilities. The Ordinary Shares have certain redemption features that are considered to be outside of the Company's control and subject to occurrence of uncertain future events. Accordingly, the Company classifies the redeemable Ordinary Shares as financial liabilities

at amortised cost in accordance with IFRS 9. The transaction costs are directly attributable to the issuance of the redeemable Ordinary Shares deducted from the initial fair value and are therefore part of the effective interest rate. Refer to Note 8 for more details.

(ii) Market Warrants

The Board assessed the classification of Market Warrants in accordance with IAS 32 under which the Market Warrants do not meet the criteria for equity treatment and must be recorded as financial liabilities. Accordingly, the Company classifies the Market Warrants as liabilities at their fair value through profit and loss.

Since the Market Warrants have expired worthless, they have been derecognised in the statement of profit and loss. Refer to Note 9 for more details.

(iii) Founder Shares

The Sponsors previously subscribed 6,666,666 Founder Shares at the nominal value of price of €0.01 per Founder Share. The Sponsors paid an additional purchase price for the Founder Shares in the aggregate of €1,400,000 that will be used, inter alia, to cover remuneration costs.

The total value of the package of Founder Shares, Founder Warrants and Additional Sponsor Subscription issued at settlement of the Private Placement ("**Settlement**") are intertwined and entered into in contemplation of each other, therefore these instruments were assessed together. The price paid for each instrument cannot be assessed in isolation. However, the total package does reflect a market transaction which should reflect fair value. As such, for the Founder Shares issued at Settlement the total consideration paid for the package of Founder Shares, Founder Warrants and Additional Sponsor Subscription is considered as one transaction.

The rights and interests of the Founders differ from those of the Ordinary Shareholders. The Founder Shares carry risks that the Ordinary Shares do not, namely the Founder Shares contribute to the capital at risk and are subordinated to the Ordinary Shares in the event of liquidation. This means that the Founders carry a greater risk of losing their investment and therefore have a higher incentive to successfully complete the Business Combination.

The Board concluded that, due to the significant remaining risks associated with completing the Private Placement and a Business Combination at the time the Founder Shares were issued, the fair value of the Founder Shares at issue was equal to their (recalibrated) issue price of €0.01 per Founder Share issued at incorporation of the Company and €1.25 per Founder Share issued at Settlement. This also does not indicate a share-based payment in the scope of IFRS 2.

The Founder Shares are not covered under the share repurchase arrangement and will only automatically convert into Public Shares upon closing of the Business Combination on a 1:1 basis (subject to anti-dilution provisions in certain circumstances) in the four tranches further defined and explained in Note 13.

For the classification assessment in accordance with IAS 32, each tranche is considered a separate unit. As such the fixed-for-fixed requirements are met. If the share price hurdle in Tranche 2 and onwards are never met, or the time runs out for Tranche 4, then these Founder Shares will not be converted.

However, they are still entitled to voting rights and dividend rights. Each tranche is a separate unit in accordance with IFRS 9, as the Ordinary Shares obtained through each tranche can be transferred separately. Furthermore, the different tranches are not linked economically as each tranche will be exercised separately.

Any conversion of Founder Shares into Ordinary Shares does not require the holder to make any payment. Therefore, there is no contractual obligation for the Company to repay the holders of the Founder Shares. While the Company may pay dividends to the Founders, the dividend rights of the Founders are the same as those of the Ordinary Shareholders and the granting of dividends is at the discretion of the Company. Thus, the Company is not contractually obligated to pay dividends.

The Founder Shares are, therefore, classified as equity instruments per IAS 32.

At initial recognition, the Founder Shares are recognised at fair value less transaction costs. No subsequent changes to initial recognition are recognised.

(iv) Founder Warrants

The Sponsors subscribed for 5,128,000 Founder Warrants at a price of €1.50 per warrant in a separate private placement (the "**Sponsors Capital At-Risk**"). The Sponsors Capital At-Risk will be used to finance the Company's working capital requirements (including due diligence costs in connection with the Business Combination) and other running costs and Private Placement and admission expenses, except for the fixed deferred listing commission and the discretionary deferred listing commissions (together, the "**Deferred Listing Commissions**"), that will, if and when due and payable, be paid from the Escrow Account, until the completion of the Business Combination.

Management evaluated the terms of the Founder Warrants in the context of this potential scope exclusion from IAS 32. The total value of the package of Founder Shares, Founder Warrants and Additional Sponsor Subscription (as defined below) issued at Settlement are intertwined and are assessed together. The fair value of the Founder Warrants at issue was less than the issue price of €1.50 per Founder Warrant. However, the overpayment of the Founder Warrant is reallocated to the Founder Shares. As such the Company concludes that the fair value of the Founder Warrants at issue was equal to their allocated price.

The subscription rights are derivatives which, from the issuer's perspective, represent written call options on its own shares. As such, they are contracts within the scope of IAS 32.13 that give rise to a financial asset for the holders and a financial liability or equity instrument for the issuer. As financial instruments, they fall within the scope of IAS 32.

Upon a cashless exercise of the subscription right, EHC is obliged to deliver a number of shares that is calculated on the basis of the quotient of (i) the fair market value of the shares minus the exercise price (ii) divided by the fair market fair value of the shares. Hence, the number of shares to be delivered is not fixed, but variable.

Founder Warrants were, therefore, classified as financial liability. Refer to Note 10 for further details.

In addition, the Sponsors subscribed for 1,640,000 Founder Warrants at a price of €1.50 per Founder Warrant, for an aggregate purchase price of €2,460k (the "**Additional Sponsor Subscription**"). The proceeds of the Additional Sponsor Subscription will be used to cover any negative interest on the funds held in the Escrow Account, up to an amount equal to the proceeds from the Additional Sponsor Subscription to allow, in case of a liquidation of the Company after expiry of the Business Combination Deadline or in case of redemptions of Ordinary Shares in the context of a Business Combination, for a redemption at €10.00 per Ordinary Share. For any excess portion of the Additional Sponsor Subscription remaining after completion of the Business Combination and the redemption of Ordinary Shares, the Sponsors may elect to either (i) request repayment of the remaining cash portion of the Additional Sponsor Subscription by redeeming the corresponding number of Founder Warrants subscribed for under the Additional Sponsor Subscription, or (ii) to keep the Founder Warrants subscribed for under the Additional Sponsor Subscription in which case the Company may keep the remaining cash portion of the Additional Sponsor Subscription for discretionary use. Founder Warrants will have substantially the same terms as the Market Warrants, except that they will not be redeemable, may be exercised on a cashless basis, and are subject to certain lock-up arrangements.

Also, since the Company did not consummate a Business Combination within the first 12 months, the Sponsors, i.e. the Founders, paid an additional sum as additional purchase price for the Founder Warrants subscribed amounting to €1,205k that was and will be used to pay the Company's remuneration costs becoming payable after the first 12 months until the completion of the Business Combination or the Business Combination Deadline. Such payments of an additional purchase price will not result in the issuance of any additional Founder Warrants.

The total value of the package of Founder Shares, Founder Warrants and Additional Sponsor Subscription issued at Settlement are intertwined and are assessed together. The fair value of the Additional Sponsor Subscription at issue was less than the issue price of €1.50 per Founder Warrant. However, the overpayment of the Founder Warrant was reallocated to the Founder Shares.

The Additional Sponsor Subscription consists of derivatives which, from the issuer's perspective, represent written call options on its own shares. As such, they are contracts within the scope of IAS 32.13 that give rise to a financial asset for the holders and a financial liability or equity instrument for the issuer. As financial instruments, they fall within the scope of IAS 32. The Additional Sponsor Subscription was classified as financial liability and shown under Founder Warrants in the statement of financial position.

Since the Founder Warrants have expired worthless, they have been derecognised in the statement of profit and loss.

2.4.8. Cash flow statement

The cash flow statement has been prepared using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows. Non-cash transactions are not included in the statement of cash flows. EHC has chosen to present interest paid on cash and cash equivalents as operating cash flows.

The cash stored on the Escrow Account meets the definition of IAS 7.6 and is therefore included as cash and cash equivalents in the cash flow statement.

2.4.9. Operating segments

The activities of the Company are considered to be a single operating segment under IFRS 8. Hence no further segmental disclosures are included in the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Actual results and outcomes may differ from management's estimates and assumptions due to risks and uncertainties, including uncertainty in the current economic environment due to the current economic uncertainties amongst other driven by the invasion of Russia in Ukraine and other macro economic developments such as higher interest rates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

a. Significant Judgements

Accounting judgements were required regarding the accounting of Founder Shares and Founder Warrants: A key consideration for the accounting treatment of these financial instruments is whether the instruments should be accounted for by applying IAS 32 or IFRS 2. The distinction between applying IFRS 2 or IAS 32 is important, because the classification as debt or equity can be different depending on whether IFRS 2 or IAS 32 applies. It has been concluded that the financial instruments shall be analysed in accordance with IAS 32 and that IFRS 2 is not applicable for the accounting of the Founder Shares and Founder Warrants.

For the classification assessment in accordance with IAS 32, each tranche of Founder Shares is considered a separate unit. As such, the fixed-for-fixed requirements in accordance with IAS 32 are met and Founder Shares are accounted for as equity.

Regarding the Founder Warrants the Company is obliged to deliver a number of shares that is calculated on the basis of the quotient of (i) the fair market value of the shares minus the exercise price (ii) divided by the fair market fair value of the shares. Hence, the number of shares to be delivered is not fixed, but variable. As a result, Founder Warrants are to be classified as financial liability.

b. Significant estimates

Significant area of estimation in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is the valuation of the instruments issued by the Company (see Notes 8, 9 and 10).

The Market Warrants and Founder Warrants have been valued by applying a binomial tree model, which is considered a generally accepted valuation methodology for these instruments (see Notes 9 and 10). The Company is of the opinion that there have been too limited trades in the Company's Market Warrants that the value for which they are traded on Euronext is representative for the fair value of the instrument. The main areas of estimation uncertainty within the binomial tree model are the estimated volatility and the success probability of the Business Combination. In Note 10 the Company has disclosed the sensitivities on these inputs of the binomial tree model. The Market Warrants and Founder Warrants have expired worthless on the original business combination deadline, being 17 November 2023. Therefore, the value as of 31 December 2023 is nil.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Board has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions.

The Company was newly formed and currently generates no revenue. The Company does not have any foreign currency transactions. Hence, currently the Company does not face foreign currency risks.

4.1. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. As at 31 December 2023, the Company has sufficient funds and assets to pay its obligations.

4.2. Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is currently exposed to credit risk from its financing activities, including deposits with banks and financial institutions. No specific counterparty risk is being assessed as cash and cash equivalents are mostly deposited with a BBB+ (Fitch) or A2 (Moody's) rated bank. Holders of the redeemable Ordinary Shares are compensated for the negative interest on the escrow account by the founders of the Company.

4.3. Market risk

Market risk is the risk that changes in market prices – e.g. interest rates and equity prices – will affect EHC's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

5. OTHER EXPENSES

5.1. Other operating expenses

The other operating expenses of €2,339k incurred in 2023 (2022: €2,931k) mainly include legal fees as well as fees for tax, accounting, auditor's and consulting services.

5.2. Fair value adjustments of warrants

	For the period ended 31 December 2023	For the period ended 31 December 2022
	€000	€000
Fair value profit / (loss) Market Warrants	14,227	(5,727)
Fair value profit / (loss) Founder Warrants	12,872	(7,965)
	27,099	(13,692)

Market Warrants and Founder Warrants are recognised at fair value and re-measured to fair value at each reporting period.

As at 31 December 2022, the following valuations were as follows applied:

- Market Warrant: €1.275 per Market Warrant
- Founder Warrant: €0.725 per Founder Warrant

The Market and Founder Warrants have expired worthless on the original business combination deadline, being 17 November 2023. Therefore, the Founder and Market Warrants have been derecognised.

Please refer to Note 9 and Note 10 for further details regarding Market Warrants and Founder Warrants.

5.3. Effective interest on Ordinary Shares subject to redemption

The initial fair value of the Ordinary Shares issued at Settlement is €9.60 per share. The allocated transaction costs amount to €4,268k. Assuming 24 months till maturity based on the Original Business Combination Deadline gave an effective interest rate of 3.35%. Additionally, effective interest for the period from 17 November 2023 till 31 December 2023 and for any settlements regarding the redemption were recorded. Consequently, an effective interest expense of €8,954k (€2022: €6,068k) has been recorded.

5.4. Interest income

Interest income includes interest for the balances held in the Escrow Account of €5,528k (2022: €649k).

5.5. Interest expenses

Interest expenses included negative interest for the balances held in the Escrow account of nil (2022: €809k).

5.6. Personnel expenses

Personnel expenses of €634k (2022: €1,244k) are mainly related to the salaries of the Executive Directors of the Company. From July 2023 onwards the Company did no longer pay salaries to the Executive Directors of the Company.

5.7. Deferred underwriting fee

Since the probability of a Business Combination was assumed to be significantly less that 25% the deferred underwriting fees of €6,000k have been released as an income in 2023.

6. INCOME TAXES

The reconciliation between actual and theoretical tax expense is as follows:

	For the period ended 31 December 2023	**For the period ended 31 December 2021**
	€000	**€000**
Profit/(Loss) for the period after tax	26,484	(30,095)
Income tax	216	0
Profit/(Loss) for the period before tax	26,700	(30,095)
Theoretical tax charges, applying the tax rate of 32.96%	(8,800)	9,919
Losses for which no deferred tax has been created	(8,800)	9,919
Income tax	216	0

The tax rate used in reconciliation above is the tax rate (32.96%) as the Company is domiciled in Munich, Germany.

Deferred tax assets on tax loss-carryforwards and temporary differences have not been recognised in respect of the loss incurred within the period ended 31 December 2022 because it is not probable that future taxable profit will be available against which the Company can utilise the benefits therefrom. Unused tax losses of the Company can be used without a time limit.

7. EARNINGS PER SHARE

Basic earnings per share ("**EPS**") is calculated by dividing the profit or loss for the period attributable to ordinary equity holders of the parent by the weighted average number of Ordinary Shares outstanding during the period.

Diluted EPS is calculated by dividing the profit or loss attributable to ordinary equity holders of the parent by the weighted average number of Ordinary Shares outstanding during the period plus the weighted average number of Ordinary Shares that would be issued on conversion of all the dilutive potential Ordinary Shares into Ordinary Shares.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	As at 31 Dec 2023	**As at 31 Dec 2022**
Profit / (Loss) attributable to Founder equity holders:	26,484	(30,095)
Weighted average number of founder shares for basic and diluted EPS	6,666,666	6,666,666
Basic EPS	3.97	(4.51)
Diluted EPS	0.74	(4.51)
Number of potential further shares (in 2022 not considered because they are antidilutive):		
Weighted average number of Redeemable Ordinary Shares	17,224,394	20,000,000
Weighted average number of Market Warrants and Founder Warrants	11,815,145	13,434,666
Total	29,039,539	33,434,666

8. REDEEMABLE ORDINARY SHARES

The Company has completed its Private Placement on 18 November 2021 for the issuance of 20,000,000 redeemable Ordinary Shares and 6,666,666 Market Warrants. The 20,000,000 units (the "**Units**"), each consisting of one Ordinary Share and 1/3 Market Warrant, were placed at a price of € 10.00 per Unit representing a total placement volume of €200 million.

Ordinary Shareholders may request redemption of all or a portion of their Ordinary Shares in connection with the Business Combination, subject to the conditions and procedures set forth in the Articles of Association. Ordinary Shares will only be redeemed under the following conditions, (i) the Business Combination is approved by the general meeting of shareholders and subsequently consummated, (ii) a holder of Ordinary Shares notifies the Company of its request to redeem a portion or all of its Ordinary Shares in writing by completing a form approved by the Board for this purpose that will be included with the convening notice for the general meeting of shareholders and such notification is received by the Company not earlier than the Publication of the notice convening the general meeting of shareholders for the approval of the Business Combination and not later than two business days prior to the date of the general meeting of shareholders convened for the purpose of approving the Business Combination, and (iii) the holder of Ordinary Shares transfers its Ordinary Shares to a trust depositary account specified by the Company in the notice convening the general meeting of shareholders.

Each Ordinary Share that is redeemed shall be redeemed in cash for a price equal to the aggregate amount on deposit in the Escrow Account related to the proceeds from the Private Placement of the Ordinary Shares and Market Warrants, divided by the number of the then outstanding Ordinary Shares, subject to (i) the availability of sufficient amounts on the escrow account and sufficient distributable profits and reserves of the Company.

The Ordinary Shares are classified as a financial liability and therefore must be measured at fair value at initial recognition and will then subsequently be accounted for at amortised cost.

The Market Warrants are classified as a derivative financial liability and therefore measured at fair value both at initial recognition and subsequently, with the change in fair value being recognised in profit or loss.

In the Private Placement, institutional investors subscribed on an arm's length basis for the Unit, where each Unit comprised of one Ordinary Share and one third of a Market Warrant, at €10 per each. The Company considers this to be the combined fair value of one Ordinary Share and one third of Market Warrant at initial recognition.

As the lowest level significant input in the Ordinary Share and Market Warrant valuation on initial recognition is unobservable, these are both Level 3 valuations.

The calculation of the effective interest rate on the Ordinary Shares incorporates the proportion of the direct issue costs attributable to the Ordinary Shares. The proportion of these costs attributable to Market Warrants has been recognised in administrative expenses and finance expenses respectively.

The amortised cost of the redeemable Ordinary Shares was derived as follows:

	As at 31 December 2022
	€000
Redeemable Ordinary Shares, amortized costs as at 1 January 2022	188,435
Interest expense relating to Redeemable Ordinary Shares	6,068
Redeemable Ordinary Shares, amortized costs as at 31 Dec. 2022	194,503

	As at 31 December 2023
	€000
Redeemable Ordinary Shares, amortized costs as at 1 January 2022	194,503
Interest expense relating to Redeemable Ordinary Shares	5,765
Redemption	(187,610)
Redeemable Ordinary Shares, amortized costs as at 31 Dec. 2023	12,658

9. MARKET WARRANTS

The Company issued 6,666,666 Market Warrants which may be exercised to subscribe for Ordinary Shares, and which are accounted for as a financial liability at fair value through profit or loss in

accordance with IAS 32. Refer to Note 8 for details on the fair value measurement at initial recognition.

From 18 November 2021, the Ordinary Shares and Market Warrants have been separately listed and traded on Euronext Amsterdam. Due to the worthless expiry of the Market Warrants on the original business combination deadline, being 17 November 2023, the value as at 31 December 2023 is nil.

As of 31 December 2022, a binomial option pricing model valuation was used to determine the fair value of the Warrants at €2.134 as of 31 December 2022 given the most recent transaction price of an Ordinary Share of €9.95 as of 30 December 2022.

Due to their expiry as of 17 November 2023 the Market Warrants have been derecognised as of 31 December 2023.

As the lowest level significant input in this valuation is unobservable, this is a Level 3 valuation.

	Market Warrants €000
Opening balance 31 December 2022	14,227
Issuance of instruments	0
(Gains)/losses recognised in statement of profit or loss	(14,227)
Closing balance 31 December 2023	0

10. FOUNDER WARRANTS

Founder Warrants are categorised as financial liabilities at fair value through profit or loss as of the admission date of the warrant agreement. They are initially recognised at fair value and are subsequently measured at fair value through profit or loss, with any fair value gains or losses being recognised in the statement of profit or loss.

The fair value measurement of the Founder Warrants at initial recognition was determined by reallocating the total consideration paid by the Sponsors over the different founder instruments and transferred based on their stand-alone fair values.

Therefore, at initial recognition, alternative valuation techniques were used to determine these fair values at inception. Using an option pricing model, after applying a 50% discount for the lock-up period, a volatility of 40% and a 50% probability of a successful Business Combination, at inception the fair value of the Founder Warrants was estimated to be €0.70.

Since the Founder Warrants are not publicly traded and there are no comparable quoted financial instruments, alternative valuation techniques were used to determine their fair value at the year end.

As of 31 December 2022, using an option pricing model whilst after applying a 25% discount for the lock-up period, a volatility of 40% and a 75% probability of a successful Business Combination, at 31 December 2022 the fair value of the Founder Warrants was estimated to be €1.902 (given the most recent transaction price of an Ordinary Share of €9.95 as of 30 December 2022). Due to their expiry of as 17 November 2023 the Founder Warrants have been derecognised and their valuation as of 31 December 2023 is, therefore, nil.

As the lowest level significant input in this valuation is unobservable, this is a Level 3 valuation.

	Founder Warrants €000
Opening balance 31 December 2022	12,872
Issuance of instruments	0
(Gains)/losses recognised in statement of profit or loss	(12,872)
Closing balance 31 December 2023	0

Gain/losses are recorded in the line item “Fair value adjustment of warrants” in the statement of profit or loss and other comprehensive income.

11. OTHER RECEIVABLES AND DEFERRED COST

Other receivables of €1,812k (2022: €290k) mainly include withholding corporate income tax receivables from the interest income.

The deferred cost capitalised of €169k (2022: €249k) is related to insurance premiums paid by the Company.

12. CASH AND CASH EQUIVALENTS

The amount of cash and cash equivalents was €13,903k as at 31 December 2023 and included €1,210k (2022: €2,250k) of cash balance held by the Company for operating purposes and cash balances held in escrow of €12,693k (2022: €202,067k). The use of the cash balances held in escrow is restricted as outlined in the Prospectus.

The Company has transferred all of the gross proceeds from the Private Placement of the Units (€200,000k) and the Additional Sponsor Subscription (€2,460k) into the Escrow Account with Deutsche Bank Aktiengesellschaft. In case of a Business Combination, the amounts held in the Escrow Account will be paid out in a specific order of priority as disclosed in the Prospectus.

Following the redemption process in 2023, the redemption amount including the net interest received as well as the remaining amount of the Additional Sponsor Subscription has been released from the Escrow Account. However, the gross proceeds from the remaining Ordinary Shareholders are still allocated to the Escrow Account.

13. ISSUED CAPITAL AND RESERVES

13.1. Share capital

The Sponsors initially held 100 Founder Shares which were issued at the nominal value of price of €0.01 per Founder Share. The Sponsors subscribed for additional 6,666,666 Founder Shares at the nominal value of price of €0.01 per Founder Share, representing 25% of the Company's voting rights (not taking into account any Treasury Shares).

In 2022, the Sponsors paid an additional purchase price for the Founder Shares in the aggregate of €1,205k that will be used, inter alia, to cover remuneration costs. This payment of the additional purchase price did not result in the issuance of any additional Founder Shares.

Upon and following the completion of the Business Combination, the Founder Shares shall convert into Ordinary Shares on a one-for-one basis in accordance with the following schedule, whereby each holder of Founder Shares will be eligible for such conversion in proportion to its holdings of Founder Shares (and in each case to be rounded to a full number of converted Founder Shares as determined by the Board):

I. 26.67% of the Founder Shares on the Trading Day ("**Trading Day**" being a day on which Euronext Amsterdam is open for trading) following the completion of the Business Combination ("**Tranche 1**"),

II. 26.67% of the Founder Shares upon the closing price of the Ordinary Shares exceeding €12.00 for any 10 Trading Days within a 30 Trading Days period ("**Tranche 2**"),

III. 26.67% of the Founder Shares upon the closing price of the Ordinary Shares exceeding €15.00 for any 10 Trading Days within a 30 Trading Days period ("**Tranche 3**"), and

IV. 20% of the Founder Shares upon the closing price of the Ordinary Shares exceeding €20.00 for any 10 Trading Days within a 30 Trading Day period, but not earlier than 720 days following the completion of the Business Combination and provided that by that time the Sponsors (or any of them) still hold 50% of the aggregate of Ordinary Shares converted under Tranche 1, Tranche 2 and Tranche 3 ("**Tranche 4**"),

and further provided that the conversion of Tranche 4 into Ordinary Shares shall be excluded upon and following the fifth anniversary of the completion of the Business Combination; while, notwithstanding the foregoing, any Founder Shares transferred by private sales or transfers made in connection with the completion of the Business Combination at prices no greater than the price at which the Founder Shares were originally purchased, will be converted into Ordinary Shares according to the above schedule (the "**Promote Schedule**"), but will continue to be subject to the Founder Lock-Up, relating to the Founder Shares, Founder Warrants and Ordinary Shares resulting from the conversion in accordance with the Promote Schedule.

The Founder Shares will not be listed or admitted to trading on Euronext Amsterdam and have the same voting rights as the Ordinary Shares. Further, The Founder Shares are entitled to the general profit reserve of the Company and therefore carry the same dividend entitlements as the Ordinary Shares. However, they will not be entitled to the share premium reserve and, in case of a dissolution or liquidation of the Company, holders of Founder Shares will rank behind Ordinary Shareholders in the distribution waterfall. Holders of Founder Shares are not provided with the redemption right.

The Founders have committed not to transfer, assign, pledge or sell any of the Founder Shares and Founder Warrants other than to Permitted Transferees (as defined in the Prospectus) in accordance with the Founder Lock-Up (as defined below). From the consummation of the Business Combination, the Ordinary Shares received by the Founders as a result of the conversion in accordance with the Promote Schedule, except for Excluded shares (as defined below), will become transferrable on the first anniversary of the Business Combination or earlier if, at any time, the closing price of the Ordinary Shares equals or exceeds € 12.00 for any 20 trading days within any 30 trading day period (the "**Founder Lock-Up**"). Excluded Shares are Ordinary Shares representing half of the Founder Shares of Tranche 1 converted in accordance with the Promote Schedule, which are transferable without restrictions by the Founders from the consummation of the Business Combination (the "**Excluded Shares**").

Any conversion of Founder Shares into Ordinary Shares does not require the holder to make any payment. Therefore, there is no contractual obligation for the Company to repay the holders of the Founder Shares. While the Company may pay dividends to Founders, the dividend rights of the Founders are the same as those of the holders of the Ordinary Shares and the granting of dividends is at the discretion of the Company. Thus, the Company is not contractually obligated to pay dividends.

At initial recognition, the Founder Shares are recognised at fair value less transaction costs. No subsequent changes to initial recognition are recognised.

The initial fair value of the Founder Shares issued at the incorporation of the Company is €0.01 per share. The initial fair value of the Founder Shares issued at Settlement is €1.25 per share.

13.2. Share premium

Payments received in excess of the nominal value of the Founder Shares are allocated to the share premium. In 2022, an additional amount of €1,205k had been paid.

14. TREASURY SHARES

On 17 November 2021, the Company issued 150,000,000 Treasury Shares to the Sponsors at the nominal value of €0.01 which were subsequently repurchased by, or transferred back to the Company for the purpose of allotting the Treasury Shares to investors around the time of the Business Combination and when Public Warrants or Founder Warrants are exercised. Each of the Sponsors, except for Winners & Co. GmbH subscribed to 19% (i.e., 28,500,000 Treasury Shares) of the Treasury Shares, and Winners & Co. subscribed to 5% (i.e., 7,500,000 Treasury Shares) of the Treasury Shares. As a result, the Company held a total of 150,000,000 Treasury Shares in its own capital in treasury as of 31 December 2022.

Due to the redemption process the 18,761,038 redeemed Public Shares increased the number of Treasury Shares as of 31 December 2023 to 168,761,038.

As long as these Treasury Shares are held in treasury, they do not yield dividends, do not entitle the Company to voting rights and do not count towards the calculation of dividends or voting percentages. The Treasury Shares are admitted to listing and trading on Euronext Amsterdam under the ticker symbol EHCT and ISIN NL0015000K02.

15. TRADE AND OTHER PAYABLES

Trade and other payables amount to €1,325k as at 31 December 2023 (2022: €1,836k). Trade and other payables are related to legal and other services received by the Company. The carrying amounts of these approximate their fair value.

16. DEFERRED UNDERWRITING FEE

The amount of €6,000k as of 31 December 2022 included deferred Private Placement bank fees that become payable after the Business Combination. Due to the low probability of a Business Combination, the Company released the corresponding payable.

17. COMMITMENTS AND CONTINGENCIES

As disclosed in the Prospectus the underwriters are potentially entitled to a Business Combination Underwriting Fee. This fee is only payable upon completion of the Business Combination and will not be paid out of the Costs Cover, but from the funds held in the Escrow Account. As of 31 December 2023, the Business Combination Underwriting Fee is considered a contingent liability under IAS 37, amounting to maximum of €6 million.

18. RELATED PARTY DISCLOSURES

Parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the other party in making financial or operational decisions. Related parties also include key management personnel, i.e. the board members, responsible for planning, directing and controlling the activities of the Company.

Transactions with related parties are assumed when a relationship exists between the Company and a natural person or entity that is affiliated with the Company. This includes, amongst others, the relationship between the Company and its subsidiaries, shareholders, directors and key management personnel. Transactions are transfers of resources, services or obligations, regardless of whether anything has been charged.

18.1. Transaction with the Sponsors

- Fees for the CEO and CIO €483k (2022: €966k).
- Fees for the Non-Executive Board members (€180k and 2022: €360k).
- Proceeds from payments for additional share premium (nil and 2022: €1,205k)

18.2. Terms and conditions of transactions with related parties

There have been no guarantees provided or received for any related party receivables or payables. The Founders and the Company have agreed to set off the principal amount (€1,500k) due under the shareholder loan agreement entered into between the Founders and the Company against part of the aggregate subscription price for these Founder Warrants. The shareholder loan was consequently terminated.

18.3. Remuneration of Board Members

There are no advances or loans granted to members of the Board at the end of 31 December 2023. The remuneration for all members of the Board, which are all considered key management personnel, in 2023 amounted to €483k (2022: €966k) for the Executive Directors and €180k (2022: €360k) for the Non-Executive Directors. The remuneration of the members of the Board only consists of short-term benefits and ended in June 2023.

19. AUDIT FEES

The Company incurred the following audit expenses from its auditors, Deloitte Accountants B.V. Note that part of these expenses is included in the transaction costs related to the Private Placement:

- audit of the financials statements: €50k (2022: €50k);
- other audit procedures: nil (2022: nil).

20. EVENTS AFTER THE REPORTING PERIOD

The Company agreed with the involved banks on 18 March 2024 that any deferred Private Placement bank fees that become payable after the Business Combination will be waived.

OTHER INFORMATION

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To: the shareholders and the Board of European Healthcare Acquisition and Growth Company B.V.

Report on the audit of the financial statements 2023 included in the annual report

Our opinion

We have audited the financial statements 2023 of European Healthcare Acquisition and Growth Company B.V., based in Munich, Germany.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of European Healthcare Acquisition and Growth Company B.V. as at December 31, 2023 and of its results for 2023 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. The Statement of Financial Position as at December 31, 2023.
2. The Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for 2023.
3. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of European Healthcare Acquisition and Growth Company B.V. in accordance with the *Wet toezicht Accountantsorganisaties* (**Wta**, Audit firms supervision act), the *Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten* (**ViO**, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the *Verordening gedrags- en beroepsregels accountants* (**VGBA**, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter on material uncertainty related to going concern

The Board has assessed the going concern assumption, as part of the preparation of the Financial Statements, and disclosed this in the Financial Statements (note 2.2 Going Concern). The Board states that at the extraordinary General meeting of shareholders on November 17, 2023, it has been conducted that the Company will extend the Business Combination Deadline by twelve months until November 17, 2024, or such earlier date as announced by the Company.

If the Company does not complete a Business Combination before November 17, 2024, the Company shall be liquidated. The Board indicates this is a material uncertainty, which may cast significant doubt about the ability of the Company to continue as a going concern. The ordinary shares will be redeemed at EUR 10 per share adjusted for interested earned on the escrow account. In case the funds on the escrow account are insufficient to cover the repayment obligation, in accordance with disclosure 4.2 to the financial statements, the founders will compensate the

shortfall from the regular bank account of the company or by additional capital contributions if required.
We have obtained the assessment of the Board. We have considered the fact that upon preparation of the Financial Statements no proposed Business Combination has been agreed nor communicated. The assessment of the Board indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.
We have outlined the responsibilities of the Board and ourselves in the ''Description of responsibilities regarding the financial statements'' section further below.

Information in support of our opinion
We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality
Based on our professional judgement we determined the materiality for the financial statements as a whole at € 300.000. The materiality is based on 2% of the Company's total assets. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.
We agreed with the Board that misstatements in excess of € 15,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Audit approach fraud risks
We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including:

- the risk assessment process;
- management's process for responding to the risks of fraud and monitoring the system of internal control; and
- the oversight process of the non-executive Directors.

We also obtained an understanding of the outcomes of these processes. The Company is a Special Purpose Acquisition Company, whereby the Board of the Company is pursuing the completion of a Business Combination. As a result, the company has no, or only limited, operational business activities.
In the context of the business activities of the entity, we evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct, whistle blower procedures and incident registration. We have evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets, bribery and corruption. Particularly, we have evaluated all transactions on the escrow account.
We evaluated the design and the implementation of internal controls designed to mitigate fraud risks. In connection with the presumed risks of financial statement fraud, we considered fraud in relation to management override of controls, including evaluating whether there was evidence of bias by the Board. Our procedures include an assessment of the selection of accounting policies

by the group, particularly those related to subjective measurements and complex transactions, as these may be indicative of fraudulent financial reporting. With respect to the element of bias, we evaluated whether the judgements and decisions made by management in making the accounting estimates included in the financial statements represent a risk of fraudulent material misstatement. We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance. For significant transactions we evaluated whether the business rationale of the transactions suggest that they may have been entered into to engage fraudulent financial reporting or to conceal misappropriation of assets.
We considered available information and made enquiries of relevant Executive Directors, Non-Executive Directors and others within the Company. Management insights, estimates and assumptions that have a major impact on the financial statements are disclosed in note 3 of the Financial Statements.
Our procedures did not lead to indications for fraud potentially resulting in material misstatements.

Audit approach compliance with laws and regulations
We assessed the laws and regulations relevant to the entity through discussion with the Executive and Non-Executive Directors and reading minutes.
As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations: (corporate) tax law, the requirements under International Financial Reporting Standards as adopted by the European Union and Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the financial statements.
We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the financial statements.
Apart from these, the entity is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation.
Our procedures are more limited with respect to laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to the Group's ability to continue its business, or to avoid material penalties and there for non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.
Our procedures are limited to (i) inquiry of the Board and Others within the Company as to whether the Company is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing of regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit. Finally, we have

obtained written representations that all known and suspected instances of non-compliance with laws and regulations have been disclosed to us.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Board. The key audit matters are not a comprehensive reflection of all matters discussed.
In addition to the matter described in the 'Material uncertainty related to going concern' section, we identified the following key audit matters. 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.

Dutch Corporate Governance Code and Special Purpose Acquisition Companies	The Company is a Special Purpose Acquisition Company ("SPAC") aiming to consummate a Business Combination with a target company. The Company is not a business in the traditional sense and has no employees. The Company has a limited lifetime and a very specific capital structure with a number of classes of shares and other financial instruments. The Dutch Corporate Governance Code is applicable for all Dutch entities of which the shares are listed on regulated markets. The code comprises of best practices of the way the responsibilities of shareholders, management and oversight boards can be organised contributing to long term value creation, risk management and relations with other stakeholders. Based upon the Company's specific business, a number of best practices are not applicable. The Company has an one-tier board. The Non-Executive Directors are responsible for independent oversight but have short term financial incentives in the Company similar to Executive Directors. The Non-Executive directors are valuable for the Company as a result of their knowledge, experience in relevant industries, certain types of transactions and/or relationships or network. As a consequence of this, there may be a threat of their independence and/or a conflict of interest when identifying targets or in subsequent negotiations. The Dutch Corporate Governance Code includes best practices in connection with the information to shareholders. Within European Healthcare Acquisition and Growth Company B.V. the Board has 84% of the voting rights, so the level of information among the shareholders is not the same.
How our audit responded to the key audit matter	As part of our audit work, we have reviewed paragraph Corporate Governance of the Annual Report where managements comply or explain with the Dutch Corporate Governance Code. Furthermore, we have evaluated the implications of the deviations from the Dutch Corporate Governance Code in our evaluation on the internal control environment. In conjunction with the International Standard on Auditing 720 we compared the information with knowledge we obtained during our audit process. Furthermore, we compared the information contained in the Corporate Governance paragraph with other parts of the financial statements for consistency. Note we have not performed audit procedures on the Board Report.
Key observations	Although the deviations from the Dutch Corporate Governance Code are numerous, we have not identified material inconsistencies between the Corporate Governance paragraph of the annual report and other parts of the

	annual report. Nor have we identified any deviations between the knowledge obtained during the audit and the relevant section of the annual report. It may be the case that if we had audited the information contained in the Directors' report we could have identified other matters.
Impact of different classes of shares	The Company has issued different classes of shares with corresponding different risks and rewards. The sponsors of the Company have put capital at risk to list the ordinary shares and to fund the search process to find a target to enter into a Business Combination. In return the sponsors received sponsor shares. The sponsor shares give voting rights equal to the ordinary shares. The nominal value of the sponsor shares, which has been paid up by the sponsors amounts to EUR 0.01 per share. Upon a successful business combination, the sponsor shares are converted to ordinary shares. Ordinary shares have been issued within units at EUR 10 for 1 ordinary share and 1/3 warrant. In case holders of these ordinary shares are not in favour of the proposed business combination they can redeem these shares. As at December 31, 2023, the ordinary shares traded for EUR 10.00 at Euronext. The difference in price has implications for the wealth generated for the holders of the various instruments upon the consummation of a business combination. For the founder's wealth is created in case the market value of the ordinary shares exceeds EUR 1.92. Ordinary shareholders are not aligned with that. As a consequence of this, there is a threat of a conflict of interest when evaluating and/or valuing potential business combinations. The sponsors have agreed to a conditional lock-up as outlined in the Prospectus. In case of a business combination, sponsor shares are converted into ordinary shares and ordinary shares are issued to the existing shareholders of the target of the business combination.
How our audit responded to the key audit matter	As part of our audit work, we have reviewed the disclosure in the paragraph "Classification of the instruments issued by the Company" and have traced and agreed the statements made within this paragraph to the underlying documentation of the instruments. Furthermore, we have specifically evaluated the disclosure of the rights and interest of the Founder Shareholders and Public Shareholders.
Key observations	Although the risks and rewards between the sponsor shares and ordinary are substantially different, we have not identified inconsistencies between the Report of the Board of Directors and Report of the Non-Executive Directors and other parts of the annual report. Nor have we identified any deviations between the knowledge obtained during the audit and the relevant section of the Report of the Board of Directors and Report of the Non-Executive Directors. It may be the case that if we had audited the information contained in the Report of the Board of Directors and Report of the Non-Executive Directors, we could have identified other matters.

Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

The other information consists of:

- Report of the Board of Directors
- Report of the Non-Executive Directors

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements.
- contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Board is responsible for the preparation of the other information, including the Report of the Board of Directors and Report of the Non-Executive Directors in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were engaged by the Board as auditor of European Healthcare Acquisition and Growth Company B.V. on July 9, 2021, as of the audit for the period from July 9, 2021, to December 31, 2021 and have operated as statutory auditor ever since that financial year.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

European Single Electronic Format (ESEF)

European Healthcare Acquisition and Growth Company B.V. has prepared its annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report, prepared in XHTML format, including the financial statements of European Healthcare Acquisition and Growth Company B.V. complies in all material respects with the RTS on ESEF.

Management is responsible for preparing the annual report including the financial statements in accordance with the RTS on ESEF.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N '*Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal*

verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting).
Our examination included amongst others:
- Obtaining an understanding of the entity's financial reporting process, including the preparation of the annual report in XHTML format.
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including obtaining the annual report in XHTML format and performing validations to determine whether the annual report complies with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of the Board for the financial statements

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board is responsible for such internal control as the Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.
As part of the preparation of the financial statements, the Board is responsible for assessing the 's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Board should prepare the financial statements using the going concern basis of accounting unless the Board either intends to liquidate the or to cease operations, or has no realistic alternative but to do so.
The Board should disclose events and circumstances that may cast significant doubt on the 's ability to continue as a going concern in the financial statements.
The Non-Executive Board members are responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.
Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.
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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.
We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:
- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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.

- Obtaining 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 's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Concluding on the appropriateness of the Board'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 's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the   to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating 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 findings in internal control that we identified during our audit.

Amsterdam, April 25, 2024
Deloitte Accountants B.V.

J. Hendriks

PROVISIONS IN THE ARTICLES OF ASSOCIATION RELATING TO PROFIT APPROPRIATION

Article 27. Special resolutions

27.1. The following resolutions can only be passed by the General Meeting at the proposal of the Board:

a. the reduction of the Company's issued share capital;

b. the making of a distribution on the Shares from the Company's profits or reserves;

c. the making of a distribution in the form of Shares in the Company's capital or in the form of assets, instead of in cash;

d. the amendment of these articles of association;

e. the entering into of a merger or demerger; and

f. the Company's dissolution.

[…]

Article 31. Distributions

31.1. After adoption of the annual accounts, but no later than within six months from the end of the financial year concerned, a cash distribution will be made on the preference shares in respect of the previous financial year, which distribution will be calculated as follows:

(i) if the payment of the preference shares has been made at the expense of the reserves of the Company, the annual distribution for all issued preference shares will amount to the aggregate amount of one thousand euro (EUR 1,000);

(ii) otherwise, the distribution will be a percentage equal to the average one monthly Euribor (Euro Interbank Offered Rate) – weighted to reflect the number of days for which the payment is made – plus a premium, to be determined by the Board, subject to the approval of the Non-Executive Directors, of at least one percentage point and at most four percentage points, depending on the prevailing market conditions.

The distributions mentioned under (i) and (ii) shall be calculated over the proportionate period of time if the relevant preference shares were issued in the course of the financial year. Distributions in respect of the preference shares are calculated over the paid up part of their nominal value. The making of such distributions is subject to the provision of article 31.3.

The amounts of said distributions will be charged to the profits realised during the financial year in respect of which it is made or, if such profits are insufficient, any other part of the Company's distributable equity. No further distributions will be made on the preference shares.

31.2. Distributions can be made to the extent that the Company’s equity exceeds reserves that must be maintained by law.

31.3. A resolution to make any distribution shall not take effect as long as the Board has not given its approval. The Board may only withhold such approval if it knows or should reasonably foresee that, following the distribution, the Company will be unable to continue paying its due and payable debts.

31.4. All distributions shall be made in proportion to the aggregate number of Shares, subject to the last sentence of article 32.1.

31.5. The parties entitled to a distribution shall be the relevant Shareholders, usufructuaries and pledgees, as the case may be, at a date to be determined by the Board for that purpose. This date shall not be earlier than the date on which the distribution was announced.

31.6. The General Meeting may resolve, subject to article 27 and without consent of individual Shareholders being required, that all or part of a distribution, instead of being made in cash, shall be made in the form of Shares in the Company's capital or in the form of the Company's assets.

31.7. A distribution on Shares in the Company's capital shall be payable on such date and, if it concerns a distribution in cash, in such currency or currencies as determined by the Board. If it concerns a distribution in the form of the Company's assets, the Board shall determine the value attributed to such distribution for purposes of recording the distribution in the Company's accounts with due observance of applicable law (including the applicable accounting principles).

31.8. A claim for payment of a distribution shall lapse after five years have expired after the distribution became payable.

31.9. For the purpose of calculating the amount or allocation of any distribution, Shares held by the Company in its own capital shall not be taken into account, unless such Shares are encumbered with a right of usufruct or pledge that benefits a party other than the Company. No distribution shall be made to the Company in respect of Shares held by it in its own capital, unless those Shares are encumbered with a right of usufruct or pledge that benefits a party other than the Company.

31.10. For all dividends and other distributions in respect of Shares included in the Statutory Giro System the Company will be discharged from all obligations towards the relevant Shareholders by placing those dividends or other distributions at the disposal of, or in accordance with the regulations of, Euroclear Nederland.

Article 32. Reserves

32.1. The Company shall maintain a general share premium reserve. Share premium paid on any Shares shall be added to the general share premium reserve. In addition, the Company shall maintain a general profit reserve. Class B ordinary shares and preference shares are not entitled to distributions from the general share premium reserve of the Company.

31.1. Subject to article 27 and article 31.1 and article 31.3, the General Meeting is authorised to resolve to make a distribution from the Company's reserves.

31.2. The Board may resolve to charge amounts to be paid up on Shares against the Company's reserves, irrespective of whether those Shares are issued to existing Shareholders.

Article 33. Profits

33.1. Subject to article 31.1 and article 31.3, the profits shown in the Company's annual accounts in respect of a financial year shall be appropriated as follows, and in the following order of priority:

a. the Board shall determine which part of the profits shall be added to the Company's reserves; and

b. subject to article 27.1, the remaining profits shall be at the disposal of the General Meeting for distribution.

33.2. Subject to article 31.1 and article 31.3, a distribution of profits shall be made after the adoption of the annual accounts that show that such distribution is allowed.

33.3. The Board may resolve to make interim distributions, provided that the requirements referred to in article 31.1 and article 31.3 have been met.