GFJ ESG Acquisition I SE

Société européenne

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD
FROM 8 JUNE 2021 (DATE OF PUBLICATION) TO 31 DECEMBER 2021

Registered office: 55, Avenue Pasteur
L - 2311 Luxemburg
R.C.S. Luxembourg: B255487

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Management Report
for the period ended 31 December 2021

The Management Board GFJ ESG Acquisition I SE (hereafter the "Company") submit their management report with the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the period ended 31 December 2021.

1. Overview

GFJ ESG Acquisition I SE is a special purpose acquisition company incorporated in Luxembourg on 2 June 2021 and registered with the Luxembourg Trade and Companies Register on 8 June 2021. The company has been established for the purpose of acquiring one operating business with principal business operations in a member state of the European Economic Area or the United Kingdom or Switzerland in the form of a merger, capital stock exchange, share purchase, asset acquisition, reorganization or similar transaction (the "Business Combination").

The Company intends to complete the Business Combination using cash from the proceeds of the Private Placement of the Class A shares and warrants (see below).

2. Review and development of the Group's financial position

On 19 October 2021 15,000,000 class A redeemable shares were issued by the Company in dematerialized form on the Frankfurt Stock Exchange through an initial offering (the "Private Placement") and were admitted to trading on the regulated market (Regulierter Markt), the main characteristics of which are described in the prospectus, approved by the Commission de Surveillance du Secteur Financier (the "CSSF") in Luxembourg for the purpose of the listing of the shares and the warrants.
The placement occurred in the form of units, each consisting of one class A share with a par value of EUR 0.0384 and ½ class A warrant in total 7,500,000.

Since October 19, 2021 the Company has been listed on the regulated market on the Frankfurt Stock Exchange in Germany (Börse Frankfurt Zertifikate AG).

In October 2021 the Supervisory Board approved the issuance of 7,145,833 class B warrants. All class B warrants were issued for a subscription price of EUR 1.50 per warrant.
The Group holds cash in an escrow account in the amount of EUR 154,218,750 consisting of the gross proceeds from the private placement and additional sponsor subscription.

The Group did not generate revenue during the period ended 31 December 2021 and is not expected to generate any operating revenues until after the completion of the Business Combination.
The Group's activities for the period ended 31 December 2021 were those necessary to prepare for the Private Placement and the subsequent listing to the regulated market of the Frankfurt Stock Exchange, and, after the listing, identifying a target company for a Business Combination and the potential acquisition, described below. The Group incurred expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance).

The net loss of the Group for the period ended 31 December 2021 is EUR 8,592,467, due to the operating expenses and finance costs, and fair value loss on the Class A and Class B warrants.

On 22 December 2021 (and amended on 9 March 2022), the Company has entered into a non-binding letter of intent with tado GmbH ("tado"), with a focus on ESG-related technology sector that supports the decarbonisation path, concerning a business combination between the Company and tado.

The letter of intent includes an agreement to seek a PIPE investment (private investment in public equity) in an amount of up to EUR 100 million that the Company and tado intend to consummate in parallel to the envisaged Business Combination.

The business combination would involve the existing shareholders of tado transferring 100% of the outstanding equity and equity equivalents of tado to the Company in exchange for (i) new shares in the Company and (ii) a consideration in cash. The combined entity will be listed on the Frankfurt Stock Exchange and will have a shareholder base comprised of (i) tado's existing shareholders, (ii) the Company's shareholders, and (iii) investors in the PIPE.

3. Principal risk and uncertainties

The Group has analyzed the risks and uncertainties to which its business is subject, and the Management Board of the Company has considered their potential impact, their likelihood, controls that the Group has in place and steps the Group can take to mitigate such risks.

Likewise, the Group has been monitoring the development of the COVID-19 outbreak. At present, the Group does not expect COVID-19 to have any substantial impact on the Group’s activity.

In February 2022, a number of countries (including the US, UK and EU) imposed sanctions against certain entities and individuals in Russia as a result of the official recognition of the Donetsk People Republic and Lugansk People Republic by the Russian Federation. Announcements of potential additional sanctions have been made following military operations initiated by Russia against the Ukraine on 24 February 2022.

Due to the growing geopolitical tensions, since February 2022, there has been a significant increase in volatility on the securities and currency markets, as well as a significant depreciation of the ruble against the US dollar and the euro. It is expected that these events may affect the activities of Russian enterprises in various sectors of the economy.

The Company regards these events as non-adjusting events after the reporting period. Although neither the Company’s performance and going concern nor operations, at the date of this report, have been significantly impacted by the above, the Board of Directors continues to monitor the evolving situation and its impact on the financial position and results of the Company.

4. Financial risk management objectives and policies

As at 31 December 2021, the Group had EUR 1,454,618 in cash and cash equivalents. The proceeds from the Private Placement, including the additional sponsor subscription to cover additional costs, is presented as cash in escrow in the interim consolidated financial statements, for an amount of EUR 154,218,750.

5. Related party transactions

In August 2021 the Company borrowed EUR 1,900,000 from its shareholders loan facility up to 2,000,000 which was then set off against a subscription price of new class B warrants as at 13 October 2021. Accrued interest amounted to EUR 18,486 have been waived by the sole shareholder.
On 31 December 2021, the outstanding loan and interest were nil (disclosed in Note 9 of the audited consolidated financial statements).

6. Outlook

The Company and tado continue to be in mutually exclusive negotiations with the aim of entering into a binding business combination agreement in due course.

7. Events after the reporting period

Since 31 December 2021, no additional significant events have taken place other than those disclosed in Note 19 to the audited consolidated financial statements.

Luxembourg, 29 April 2022

Edith Baggott
Member of the Management Board

Oliver Kaltner
Member of the Management Board

Gisbert Rühl
Member of the Management Board

GFJ ESG Acquisition I SE

Société européenne

Corporate Governance Statement by the Management Board for the period ended 31 December 2021

The Management Board and the executive management of the Company reaffirm their responsibility to ensure the maintenance of proper accounting records disclosing the consolidated financial position of the Group with reasonable accuracy at any time and ensuring that an appropriate system of internal controls is in place to ensure that the Group's business operations are carried out efficiently and transparently.
In accordance with Article 4 of the law of 11 January 2008 on transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, GFJ ESG Acquisition I SE declares that, to the best of our knowledge, the audited consolidated financial statements for the period ended 31 December 2021, prepared in accordance with International Financial Reporting Standards ("IFRS") IAS 1 'Presentation of Financial Statements' as adopted for use in the European Union, give a true and fair view of the assets, liabilities, financial position as of that date and results for the period then ended.

In addition, management's report includes a fair review of the development and performance of the Group's operations during the period and of business risks, where appropriate, faced by the Group as well as other information required by the Article 68ter of the law of 19 December 2002 on the commercial companies register and on the accounting records and financial statements of undertakings, as amended.

Luxembourg, 29 April 2022

Edith Baggott
Member of the Management Board

Oliver Kaltner
Member of the Management Board

Gisbert Rühl
Member of the Management Board

Mazars Luxembourg
5, rue Guillaume J. Kroll
L-1882 Luxembourg
Luxembourg

Tel: +352 27 114 1
Fax: +352 27 114 20
www.mazars.lu

To the Shareholders of
GFJ ESJ Acquisition I SE
Société européenne
R.C.S. Luxembourg B 255.487

55, Avenue Pasteur
L-2311 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **GFJ ESJ Acquisition I SE** and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period from 8 June 2021 (date of registration) to 31 December 2021, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the period from 8 June 2021 (date of registration) to 31 December 2021 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the Audit of the Consolidated Financial Statements » section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Based on the result of our audit procedures no Key Audit Matter was identified for the audit of the consolidated financial statements as of 31 December 2021.

Other Matter

We hereby draw your attention to the fact that the consolidated financial statements of the Group as at 31 December 2021 have not been prepared in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format (“ESEF Regulation”) requiring public companies in the European Union to publish their financial statements under such a format.

Other information

The Management Board is responsible for the other information. The other information comprises the information stated in the consolidated management report and the corporate governance statement but does not include the consolidated financial statements and our report of the “réviseur d’entreprises agréé” thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Management Board and Those Charged With Governance of the Group for the Consolidated Financial Statements

The Management Board is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union and for such internal control as the Management Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Management Board is also responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format (“ESEF Regulation”).

In preparing the consolidated financial statements, the Management Board is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Responsibilities of the "réviseur d'entreprises agréé" for the Audit of the Consolidated Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.

- Conclude on the appropriateness of Management 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "Réviseur d'Entreprises Agréé" to the related disclosures in the consolidated 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 report of the "Réviseur d'Entreprises Agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Assess whether the consolidated financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards or actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on Other Legal and Regulatory Requirements

We have been appointed as "réviseur d'entreprises agréé" by the General Meeting of Shareholders on 2 June 2021 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 1 year.

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the consolidated management report. The information required by Article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and financial statements of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We have checked the compliance of the consolidated financial statements of the Group as at 31 December 2021 with relevant statutory requirements set out in the ESEF Regulation that are applicable to the financial statements. For the Group, it relates to:

- Consolidated financial statements prepared in valid xHTML format;
- The XBRL markup of the consolidated financial statements using the core taxonomy and the common rules on markups specified in the ESEF Regulation.

In our opinion, the consolidated financial statements of the Group as at 31 December 2021 have not been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We confirm that the audit opinion is consistent with the additional report to the audit committee.

We confirm that prohibited non-audit services referred to in EU Regulation No 537/2014 were not provided and that we remained independent of the Group in conducting the audit.

Luxembourg, 29 April 2022

For Mazars Luxembourg, Cabinet de révision agréé
5, rue Guillaume J. Kroll
L-1882 Luxembourg

Fabien DELANTE
Réviseur d'entreprises agréé

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GFJ ESG Acquisition I SE

Consolidated statement of comprehensive income for the period ended 31 December 2021

	Note	Period from 8 June to 31 December 2021 EUR
Revenue		-
Other operating expenses	6	(882,689)
Operating profit/(loss)		**(**882,689**)**
Fair value gain/(loss) on class A warrants		(5,700,000)
Fair value gain/(loss) on class B warrants		(1,500,625)
Finance income		18,486
Finance costs		(527,639)
Profit/(loss) before income tax		**(8,592,467)**
Income tax	7	-
Profit/(loss) for the period		**(8,592,467)**
Other comprehensive income		**-**
Total comprehensive income/(loss) for the period, net of tax		**(8,592,467)**
Profit/(loss) for the period attributable to:		
Equity holders of the parent		(8,592,467)
Non-controlling interests		-
		(8,592,467))
Total comprehensive income/(loss) attributable to:		
Equity holders of the parent		(8,592,467)
Non-controlling interests		-
		(8,592,467)
Earnings/(loss) per share attributable to equity holders of the parent:	8	
Net earnings per share		(2.57)
Diluted earnings per share		(2.57)

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

GFJ ESG Acquisition I SE

Consolidated statement of financial position as at 31 December 2021

	Note	**31 December 2021 EUR**
ASSETS		
Non-current assets		
Cash in escrow	10	**154,218,750**
Current assets		
Trade debtors		22,465
Prepayments	11	524,062
Cash and cash equivalents	12	1,454,618
Total current assets		**2,001,145**
Total assets		**156,219,895**
EQUITY AND LIABILITIES		
Equity	13	
Share capital		144,000
Share premium		456,000
Accumulated deficit		(8,592,467)
Total equity attributable to owners of the parent		7,992,467
Non-controlling interests		-
Total equity		**(7,992,467)**
Non-current liabilities		
Class A warrants at fair value	14	5,775,000
Redeemable class A shares	14	145,428,327
Class B warrants at fair value	14	12,219,374
Total non-current liabilities		**163,422,701**
Current liabilities		
Trade and other payables	15	**789,661**
Total liabilities		**164,212,362**
Total equity and liabilities		**156,219,895**

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

GFJ ESG Acquisition I SE

Consolidated statement of changes in equity for the period ended 31 December 2021

	Share capital	**Share premium and similar premiums**	**Accumulated deficit**	**Total equity attributable to parent**	**Non-controlling interest**	**Total equity**
	EUR	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**
Issuance of class B shares	120,000	-	-	120,000	-	120,000
Share capital increase	24,000	-	-	24,000	-	24,000
Share premium increase	-	380,000	-	380,000	-	380,000
Issuance of 15,000,000 redeemable class A shares	576,000	149,349,000	-	-	-	149,925,000
Reclassification of class A shares from equity to liability (IAS 32)	(576,000)	(149,349,000)		-	-	(149,925,000)
Capital contribution without issuance of shares	-	76,000	-	76,000	-	76,000
Profit/(loss) for the period	-	-	(8,592,467)	(8,592,467)	-	(8,592,467)
Balance, 31 December 2021	**144,000**	**456,000**	**(8,592,467)**	**(7,992,467)**	**-**	**(7,992,467)**

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

GFJ ESG Acquisition I SE

Consolidated statement of cash flows for the period ended 31 December 2021

	Note	Period from 8 June to 31 December 2021 EUR
Cash flows from operating activities		
Profit/(loss) before income tax		(8,592,467)
Adjustment non cash items:		
Fair value (gain)/loss on class A warrants	14	5,700,000
Fair value (gain)/loss on class B warrants	14	1,500,625
Finance costs		507,020
Changes in working capital:		
Increase in prepayments	11	(524,062)
(Increase) in trade and other receivables		(22,465)
Increase in trade and other payables	15	789,661
Net cash flows from operating activities		**(1,148,708)**
Cash flows from financing activities		
Proceeds from issuance of class B shares including share premium	13	600,000
Proceeds from issuance of Class A shares net of private placement costs	14	144,921,307
Proceeds from issuance of class A warrants	14	75,000
Proceeds from issuance of class B warrants	14	8,818,179
Proceeds from f shareholder loan	9	1,900,000
Net cash flows from financing activities		**156,315,056**
Net increase in cash and cash equivalents		155,673,368
Restricted cash (cash in escrow)	10	(154,218,750)
Cash and cash equivalents, beginning		-
Cash and cash equivalents at end of period		**1,454,618**

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

1. GENERAL INFORMATION

GFJ ESG Acquisition I SE (the “Company” or “Parent”) was incorporated on 2 June 2021 (date of incorporation as per the deed of incorporation agreed between shareholders in front of the notary) in Luxembourg as a European company (*Société Européenne* or “SE”) based on the laws of the Grand Duchy of Luxembourg (“Luxembourg”). The Company is registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés* in abbreviated “RCS”) under the number B255487 since 8 June 2021.

The share capital of the Company on 31 December 2021 was set to EUR 720,000, represented by 3,750,000 redeemable class B shares and 15,000,000 class A shares without nominal value. The share capital has been fully paid up. Please refer to note 12 for more details.

The registered office of the Company is located at 55, Avenue Pasteur, L-2311 Luxembourg.

The Company is managed by its Management Board composed of Edith Baggott, Oliver Kaltner, and Gisbert Rühl (the “Management Board”).

The founder of the Company, GFJ Holding GmbH & Co. KG, (the “Sponsor”), is a German limited partnership.

Unlike other forms of companies, a Société Européenne only exists from the date of publication of its statutes with the RCS. Accordingly, the consolidated financial statements of GFJ ESG Acquisition I SE and its subsidiaries (collectively the “Group”) were prepared in accordance with IFRS standards as adopted by the European Union for the period from 8 June 2021 (date of publication in the RCS) to 31 December 2021 and were authorised for issue in accordance with a resolution of the Management Board on 29 April 2022. Any act performed and any transaction carried out by the Company between the date of incorporation and the date of registration is considered to emanate from the Company and is therefore included in the consolidated financial statements.

The Company has been established for the purpose of acquiring one operating business with principal business operations in a member state of the European Economic Area or the United Kingdom or Switzerland in the form of a merger, capital stock exchange, share purchase, asset acquisition, reorganization or similar transaction (the “Business Combination”).

On 19 October 2021 15,000,000 class A redeemable shares were issued by the Company in dematerialized form on the Frankfurt Stock Exchange through an initial offering (the “Private Placement”) and were admitted to trading on the regulated market (*Regulierter Markt*), the main characteristics of which are described in the prospectus, approved by the Commission de Surveillance du Secteur Financier (the “CSSF”) in Luxembourg for the purpose of the listing of the shares and the warrants.

The placement occurred in the form of units, each consisting of one class A share with a par value of EUR 0.0384 and ½ class A warrant in total 7,500,000.

Since October 19, 2021 the Company has been listed on the regulated market on the Frankfurt Stock Exchange in Germany *(Börse Frankfurt Zertifikate AG).*

The Company intends to seek a suitable target for the Business Combination with a focus on ESG-related technologies supporting the path to de-carbonization including the sub-sectors Energy as a Service, Process Optimizing and Efficiency Increasing Solutions, Energy Storage, Carbon Capture, Circular Economy and Mobility. The Company will have 24 months from the date of the admission to trading to consummate a Business Combination, plus an additional three months if it signs a legally binding agreement with the seller of a target within those initial 24 months. Otherwise, the Company will be liquidated and distribute all of its assets to its shareholders (other than the Sponsor).

Pursuant to Article 2 of the Articles of Association, the Company's corporate purpose is the creation, holding, development and realization of a portfolio, consisting of interests and rights of any kind and of any other form of investment in entities in the Grand Duchy of Luxembourg and in foreign entities, whether such entities exist or are to be created, especially by way of subscription, acquisition by purchase, sale or exchange of securities or rights of any kind whatsoever, such as equity instruments, debt instruments, as well as the administration and control of such portfolio.

The Company may further grant any form of security for the performance of any obligations of the Company or of any entity in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of entities as the Company and lend funds or otherwise assist any entity in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of companies as the Company.

The Company may borrow in any form and may issue any kind of notes, bonds and debentures and generally issue any debt, equity and/or hybrid securities in accordance with Luxembourg law.

The Company may carry out any commercial, industrial, financial, real estate or intellectual property activities which it may deem useful in accomplishment of these purposes.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation

The Company's financial year starts on 1 January and ends on 31 December of each year, with the exception of the first financial year which starts on 8 June 2021 (date of registration with the RCS) and ends on 31 December 2021.

The consolidated financial statements have been prepared in accordance with accounting standard IAS 1 Presentation of Financial Statements and on a going concern basis.

The consolidated financial statements have been prepared in Euros (EUR) unless stated otherwise. They have been prepared in accordance with the International Financial Reporting Standards (IFRS) published by the IASB and adopted by the European Union as at 31 December 2021.

2.2. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2021.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is the presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangements with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.3. 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: http://ec.europa.eu/finance/accounting/ias/index_en.htm

a) New standards, amendments and interpretations that were issued but not yet applicable in as at 31 December 2021 and that are most relevant to the Group

Amendments to IAS 1 - not yet endorsed by the EU:

Classification of Liabilities as Current or Non-current. In January 2020, the the International Accounting Standards Board (the IASB) issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.

Presentation of Financial statements and IFRS Practice Statements 2. In February 2021, the IASB issued amendments to IAS 1 Presentation of Financial Statements in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The IASB also issued amendments to IFRS Practice Statement 2 Making Materiality Judgements (the PS) to support the amendments in IAS 1 by explaining and demonstrating the application of the 'four-step materiality process' to accounting policy disclosures. The amendments to IAS 1 will be effective for annual periods beginning on or after 1 January 2023. Earlier application is permitted as long as this fact is disclosed.

Amendments to IAS 8 – not yet endorsed by the EU:

Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates. In February 2021, the IASB issued amendments to IAS 8 Accounting Policies, Changes to Accounting Estimates and Errors, in which it introduces a new definition of 'accounting estimates'. The amendments are designed to clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. The amendments become effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

Amendments to IAS 12 – not yet endorsed by the EU:

Deferred Tax related to Assets and Liabilities arising from a Single Transaction. In May 2021, the IASB amended the standard to reduce diversity in the way that entities account for deferred tax on transactions and events, such as leases and decommissioning obligations that lead to the initial recognition of both an asset and a liability. The amendments apply for annual reporting periods beginning on or after 1 January 2023 and may be applied early.

Reference to the Conceptual Framework - Amendments to IFRS 3 - not yet endorsed by the EU: In May 2020, the IASB issued amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

Amendments to IAS 37 not yet endorsed by the EU: Onerous Contracts — Cost of Fulfilling a Contract. The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments are effective for annual reporting periods beginning on or after 1 January 2022 with earlier application permitted.

Annual improvements to IFRS Standards 2018-2020 not yet endorsed by the EU: The annual improvements to IFRS consists of amendments to IFRS 1, IFRS 9, IFRS 16. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 with earlier application permitted.

The initial application of these standards, interpretations and amendments to existing standards is planned for the period of time from when its application becomes compulsory. Currently, the Management Board anticipates that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial information of the Group.

b) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

c) Foreign currencies

These consolidated financial statements are presented in EUR, which is the parent's and subsidiaries functional currency and presentation currency.

Transactions denominated in currencies other than the EUR are recorded at the exchange rate at the transaction date.

d) 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 Group 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 Group commits to purchase or sell the asset.

Financial assets: The Group 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 Group 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 Group. 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 Group 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 Group'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 Group. 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 Group includes in this category interest-bearing loans and borrowings and trade and other payables.

Derecognition: A financial asset is derecognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. 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 Group 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 Group recognises a loss allowance based on lifetime ECLs at each reporting date. The Group'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.

e) 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. The carrying amounts of these approximate their fair value.

For the purpose of the consolidated 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 Group's cash management.

f) 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 Group.

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 Group 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 consolidated 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 Group 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.

g) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

h) Taxes

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

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 Group 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.

Deferred tax

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

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized 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 utilized. 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 recognized 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.

Sales tax

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable;
- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated 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 ongoing outbreak of a novel strain of the coronavirus ("COVID-19").

In December 2019, a COVID-19 outbreak was reported in China, and, in March 2020, the World Health Organization declared it a pandemic. Since being initially reported in China, the coronavirus has spread to over 150 countries. Given the ongoing and dynamic nature of the COVID-19 crisis, it is difficult to predict the impact on the business of potential targets. The extent of such impact will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and actions taken to contain the coronavirus or its impact, among others. The ongoing COVID-19 pandemic, the increased market volatility and the potential unavailability of third-party financing caused by the COVID-19 pandemic as well as restrictions on travel and in-person meetings, which may hinder the due diligence process and negotiations, may also delay and/or adversely affect the Business Combination or make it more costly.

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.

As at 31 December 2021, the significant areas of estimates, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in these consolidated financial statements are:

- Going concern: Judgement on going concern consideration. The Management Board underlying assumption to prepare the consolidated financial statements is based on the anticipated successful completion of the Business Combination. As required by art. 480-2 of the Luxembourg law of 10 August 1915 (as amended) the Management Board of the Group plans to present a business continuity plan to the shareholders.
- Deferred tax asset: A deferred tax asset in respect of the tax losses incurred has not been recognised as the Management Board estimates uncertainty in terms of future taxable profit against which the Group can utilise the benefits therefrom (Note 7).

- Classification of Redeemable Class A shares (the "Class A shares"): The Management Board assessed the classification of Redeemable Class A shares in accordance with IAS 32, Financial Instruments: Presentation, under which the Redeemable Class A shares do not meet the criteria for equity treatment and must be recorded as liabilities. The class A shares features certain redemption rights 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 Class A shares as financial liabilities at amortised cost in accordance with IFRS 9. The transaction costs directly attributable to issuance of the Redeemable Class A shares which are subscribed via private placement ("Private Placement") are deducted against the initial fair value. The redeemable portion of the class A shares refers to the proceeds on the Private Placement allocated to the shares, net of negative interest due on the cash in escrow. In line with the requirements of IAS 32, any non-redeemable portion are reclassified to equity under share capital and share premium in the consolidated statement of financial position, in line with the initial allocation of the subscription price, the surplus being considered as a capital contribution (share premium).

- Classification and measurement of Warrants: The Management Board assessed the classification of warrants in accordance with IAS 32 under which the warrants do not meet the criteria for equity treatment and must be recorded as derivatives. Accordingly, the Company classifies the Class A warrants and Class B warrants as liabilities at their fair value and adjust them to fair value at each reporting period. This liability is subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in the consolidated statement of comprehensive income. The fair value of Class A warrants is determined based on its quoted market price or independently valued using Black Scholes method and the Monte Carlo method for periods when there are no observable trades, as of each relevant date. Likewise, the Class B warrants which are not listed to the stock exchange are also independently valued using the Binomial Tree method and the Monte Carlo method to determine its fair value.

4. GROUP INFORMATION

Subsidiaries

The Group has been newly established on 8 June 2021. The wholly-owned subsidiaries of the Group as at 31 December 2021 are Blitz 21-733 GmbH which has been renamed to GFJ Advisors I GmbH and Blitz 21-734 GmbH & Co. KG which has been renamed to GFJ Advisors I GmbH & Co. KG. The latter is a German limited partnership managed by GFJ Advisors I GmbH as its general partner. Both subsidiaries are registered and located in Germany.

The consolidated financial statements of the Group include the Company GFJ Advisors I GmbH and GFJ Advisors I GmbH & Co. KG.

The parent company

As at 31 December 2021, the immediate and ultimate parent company of the Company is GFJ Holding GmbH & Co. KG based in Germany with a shareholding of 100%.

Segment information

The Group is currently organised as one reportable segment. The Group has been deemed to form one reportable segment as the Parent and its subsidiaries have been established together for the purpose of acquiring one operating business i.e. the Business Combination (Note 1).

5. ACQUISITION OF SUBSIDIARIES

The Company will conduct substantially all of its operations through its wholly owned and newly acquired subsidiary GFJ Advisors I GmbH & Co. KG, a German limited partnership managed by the Company's wholly owned subsidiary, GFJ Advisors I GmbH, which is the general partner of GFJ Advisors I GmbH & Co. KG.

The acquired companies are companies with no business. Consequently, the acquisition has been accounted as acquisitions of assets that do not constitute a business combination.

The Company acquired both companies for an amount of EUR 31,300 which included cash balances of EUR 25,500 (thereof EUR 25,000 from GFJ Advisors I GmbH and EUR 500 from GFJ Advisors I GmbH & Co. KG) and acquisition related costs of EUR 5,800. The acquisition related costs have been recognized in the consolidated statement of comprehensive income.

The purchase price for the acquisition was paid on 14 June 2021 by AFT Invest AG a limited partner of the Sponsor on behalf of the Company since the Company's bank account was not operational (Note 13).

6. OTHER EXPENSES

Other operating expenses

The other operating expenses were linked to legal, other professional, accounting and consulting services.

The total audit fees paid are as follows:

	Private placement related costs €	Recorded as part of Other Operating expenses €	From June 8, 2021 to December 31, 2021 €
Statutory audit of the annual accounts	-	98,280	98,280
Audit-related fees	171 990	-	171 990
Total	**171 990**	**98 280**	**270, 270**

The Company did not have any employees during the financial period ended 31 December 2021.

7. INCOME TAXES

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

	31 December 2021
	EUR
Loss for the period before tax	(8,592,467)
Theoretical tax charges, applying the tax rate of 24.94%	2,142,961
Tax effect of adjustments from local GAAP to IFRS[1]	(6,058,288)
Unrecognized deferred tax	3,915,327
Income tax	-

The tax rate used in reconciliation above is the Luxembourgish tax rate (24.94%) as the Company is domiciled in Luxembourg. Deferred tax assets have not been recognised in respect of the loss incurred during the period ended 31 December 2021 because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom. Unused tax losses of the Company can be used within a period of 17 years as per Luxembourg tax law.

[1] Income taxes payable to / recoverable from the tax authorities are determined based on the financial results of GFJ ESJ Acquisition I SE and its subsidiaries as shown in their stand-alone financial statements prepared in local GAAP. Hence adjustments from local GAAP to IFRS may lead to higher / lower taxable result in the consolidated financial statements as compared to that determined based on the stand-alone financial statements.

8. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share ("EPS") is calculated by dividing the profit/(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/(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.

Currently, no other diluting instruments have been issued. Therefore, basic EPS equals diluted EPS as at 31 December 2021.

9. FINANCIAL ASSETS AND LIABILITIES

Financial liabilities: Interest-bearing loans and borrowings

In August 2021 the Company borrowed EUR 1,900,000 from its shareholders loan facility up to 2,000,000 with effect on 15 June 2021 ("shareholder loan") which was then set off against a subscription price of new class B warrants as at 13 October 2021. Accrued interest amounted to EUR 18,486 have been waived by the sole shareholder.

On 31 December 2021, the outstanding loan and interest were nil.

10. Cash in escrow

Cash in escrow of EUR 154,218,750 consists of the gross proceeds from the private placement and additional sponsor subscription. The cash held in escrow from the gross proceeds on the private placement is set aside to pay the following, in case of a business combination: i) payment of class A shares for which the redemption right was exercised, net of any interest and taxes, ii) fixed deferred listing commission and discretionary deferred listing commission, and iii) any remainder values will be returned to the Company

If the Company does not consummate a Business Combination, the amounts standing on the escrow will be returned to the Company, and after deduction of the unused portion, if any, of the proceeds from the additional sponsor subscription, at first priority distributed to the holders of class A shares.

The fair value of cash in escrow approximates its carrying value as at 31 December 2021 (level 3).

11. PREPAYMENTS

Prepayments of EUR 524,062 as at 31 December 2021 are composed mainly of insurance costs and regulator fees invoiced in 2021 for services applicable in 2022.

12. CASH AND CASH EQUIVALENTS

The amount of cash and cash equivalents was EUR 1,454,618 as at 31 December 2021. The fair value of cash and cash equivalents approximate its carrying value as at 31 December 2021.

13. ISSUED CAPITAL AND RESERVES

Share capital and share premium

As at 31 December 2021 the Company's share capital is set at seven hundred twenty thousand euro (EUR 720,000), represented by (i) one million two hundred fifty thousand (1,250,000) class B1 shares without nominal value (the "Class B1 Shares"), (ii) one million two hundred fifty thousand (1,250,000) class B2 shares without nominal value (the "Class B2 Shares"), (iii) one million two hundred fifty thousand (1,250,000) class B3 shares without nominal value (the "Class B3 Shares"), and (iv) fifteen million (15,000,000) redeemable class A shares without nominal value (the “Class A Shares”).

As at incorporation the share capital of the Company was EUR 120,000 represented by 12,000,000 redeemable class B shares without nominal value.

On October 13, 2021, the sole shareholder resolved to convert the existing twelve million (12,000,000) class B shares into three million one hundred twenty-five thousand (3,125,000) class B shares divided into one million forty-one thousand six hundred sixty-seven (1,041,667) Class B1 shares, (ii) one million forty-one thousand six hundred sixty-seven (1,041,667) Class B2 shares and (iii) one million forty-one thousand six hundred sixty-six (1,041,666) Class B3 shares.

On October 13, 2021, the sole shareholder decided to contribute an amount of EUR 380,000 to the equity of the Company without issuance of shares, account 115. These monies were used to cover the operating expenses as well as due diligence costs.

On October 18, 2021, the Management Board of the Company has decided, to increase the Company's share capital by an amount of twenty-four thousand euro (EUR 24,000) to an amount of seven hundred twenty thousand euro (EUR 720,000) through the issuance of two hundred eight thousand three hundred thirty-three (208,333) Class B1 Shares, two hundred eight thousand three hundred thirtythree (208,333) Class B2 Shares and two hundred eight thousand three hundred thirty-four (208,334) Class B3 Shares for an aggregate price of one hundred thousand euro (EUR 100,000).

The contribution in cash consisting of one hundred thousand euro (EUR 100,000) consists of twenty-four thousand euro (EUR 24,000) for the share capital and seventy-six thousand euro (EUR 76,000) for the share premium.

As at December 31, 2021, 3,750,000 Class B shares were issued and fully paid.

Authorised capital

The authorization for the Management Board to issue Class A Shares, to grant options to subscribe for Class A Shares and to issue any other instruments, such as convertible warrants pursuant to the article 6 in the Articles of Association is applicable for a period of 5 years from the date of incorporation or any subsequent resolutions to create, renew or increase the authorised capital.

As at 31 December 2021 the authorised capital, excluding the issued share capital, is set at eleven million three hundred forty-three thousand four hundred fifty-six euro (EUR 11,343,456), consisting of two hundred ninety-five million four hundred two thousand (295,402,500) Class A Shares without nominal value. During a period of five years from the date of incorporation or any subsequent resolutions to create, renew or increase the authorised capital, the Management Board with the consent of the supervisory board is hereby authorised to issue Class A Shares, to grant options or warrants to subscribe for Class A Shares and to issue any other instruments giving access to shares within the limits of the authorised capital to such persons and on such terms as they shall see fit and specifically to proceed to such issue with removal or limitation of the preferential right to subscribe to the Shares issued for the existing shareholders, and it being understood, that any issuance of such instruments will reduce the available authorized capital accordingly. With respect to warrants issued by the Company, the five year limit applies to the issuance thereof, whereas the exercise of such warrants may occur after the expiration of the authorisation. Class A Shares may also be issued under the authorised capital against contribution in kind, in particular the contribution of a target business under the Business Combination. The Company has issued seven million five hundred thousand (7,500,000) class A warrants and seven million one hundred forty-five thousand eight hundred thirty three (7,145,833) class B warrants, which reduce the available authorised capital accordingly.

Legal reserves

The Company is required to allocate a minimum of 5% of its annual net profit to a legal reserve, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

14. NON-CURRENT LIABILITIES

Redeemable class A shares

On October 18, 2021, the Company has issued 15,000,000 redeemable Class A shares with a par value of 0.0384. Holders of Class A common stock are entitled to one vote for each share. On the issue date, the redeemable Class A shares is measured at amortised cost valued at EUR 144,921,307, net of transaction costs amounting to EUR 5,003,693.

Transaction costs are incremental costs that are directly attributable to the issuance of the Class A shares and its subsequent listing to the Frankfurt Stock Exchange were deducted from its initial fair value. The transaction costs includes Listing Fees, legal fees, audit fees, accounting and administration fees, agency fees and CSSF fees (see Note 6).

As at 31 December 2021, the amortized cost of the redeemable Class A shares amounts to EUR 145,428,324 after amortisation of EUR 507,020 calculated using the EIR method. This amortization is presented as part of finance cost in the consolidated statement of comprehensive income. The fair value of Redeemable Class A shares is EUR 149,250,000 based on its quoted price (level 1) as at 31 December 2021.

Class A Shareholders may request redemption of all or a portion of their Class A shares in connection with the Business Combination, subject to the conditions and procedures set forth in the Articles of Association. Class A 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 Class A shares notifies the Company of its request to redeem a portion or all of its Class A shares in writing by completing a form approved by the Board of Directors 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 Class A shares transfers its Class A shares to a trust depositary account specified by the Company in the notice convening the general meeting of shareholders.

Each Class A 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 Class A shares and warrants, divided by the number of the then outstanding Class A Shares, subject to (i) the availability of sufficient amounts on the escrow account and (ii) sufficient distributable profits and reserves of the Company.

Because the Class A are redeemable under certain conditions, the Board of Directors concluded that the Class A shares do not meet the definition of an equity instrument as per IAS 32. Hence, the Class A shares are considered as debt instruments.

Class A and class B warrants at fair value

On 15 October 2021 it was resolved to acknowledge, approve, and authorise in the name and on behalf of the Supervisory Board the issuance, within the framework of the authorised capital of seven million five hundred thousand (7,500,000) new Class A warrants in accordance with the terms and conditions of Class A warrants, for a total subscription price of seventy-five thousand euro (EUR 75,000), EUR 0.01 per warrant; and to acknowledge, approve and ratify in the name and on behalf of the Supervisory Board the issuance within the framework of the authorised capital of (i) six million four hundred ten thousand four hundred seventeen (6,410,417) new Class B warrants for an aggregate subscription price of nine million six hundred fifteen thousand six hundred twenty five euro and fifty cents (EUR 9,615,625.50), which has been settled by set off against an amount of one million nine hundred thousand euro (EUR 1,900,000 see note 9) drawn down under the shareholder loan granted by GFJ Holding GmbH & Co. KG to the Company which loan shall be terminated following such set off and seven million seven hundred fifteen thousand six hundred twenty-five euro and fifty cents (EUR 7,715,625.50) paid in cash, and, (ii) under the additional sponsor subscription of Class B warrants, an additional number of seven hundred thirty-five thousand four hundred sixteen (735,416) Class B warrants for the price of one million one hundred three thousand one hundred twenty-five euro (EUR 1,103,125) in accordance with the terms and conditions of Class B warrants. All class B warrants were issued for a subscription price of EUR 1.50 per warrant.

As at 31 December 2021, the fair value of Class A warrants was estimated at EUR 5,775,000 (EUR 0.77 per warrant) using Monte Carlo valuation model (level 3), resulting in the recognition of fair value loss of EUR 5,700,000 for the period from issue date to 31 December 2021. The significant inputs to the valuation model include the contractual terms of the warrants (i.e. exercise price, maturity), risk-free rates of German government bonds and volatility of the warrants by reference to traded warrants issued by similar listed special purpose acquisition companies.

As at 31 December 2021, the fair value of Class B warrants was estimated at EUR 12,219,374 (EUR 1.71 per warrant) using Black-Scholes option pricing model (level 3), resulting in the recognition of fair value loss of EUR 1,500,625 for the period from the issue date to closing date to 31 December 2021. The significant inputs to the valuation model include the contractual terms of the warrants (i.e. exercise price, maturity), risk-free rates of German government bonds and volatility of the warrants by reference to Germany TECDAX index.

15. CURRENT LIABILITIES

Trade and other payables amount to EUR 789,661 as at 31 December 2021.

Trade and other payables are mainly related to legal and other professional services received by the Group. The carrying amounts of these approximate their fair value.

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group consists of newly formed companies that have conducted no operations and currently generated no revenue. They do not have any foreign currency transactions. Hence currently the Group does not face foreign currency risks nor any interest rate risks as the financial instruments of the Group bear a fixed interest rate.

Liquidity risks

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Company has completed its Private Placement and listing to Frankfurt Stock Exchange. The proceeds from the Private Placement is deposited in an escrow account. The amount held in the escrow account will only be released in connection with the completion of the Business Combination or the Company's liquidation. As at December 31, 2021, the Management believes that the funds available to the Group outside of the secured deposit account are sufficient to pay costs and expenses which are incurred by the Group prior to the completion of the Business Combination. Furthermore, the Group has financial instruments which are presented as non-current liabilities, which does not pose any liquidity issues to the Group (See Note 3).

Capital management

The Management Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. In order to meet the capital management objective described above, the Group has raised funds through a Private Placement reserved to certain qualified investors inside and outside of Germany, and had the public shares and public warrants issued in such Private Placement admitted to listing and trading on Frankfurt. The above-mentioned financial instruments issued as part of this Private Placement will represent what the entity will manage as capital, although these instruments are considered as debt instruments from an accounting standpoint.

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 Group is currently exposed to credit risk from its financing activities, including deposits with banks and financial institutions.

17. RELATED PARTIES DISCLOSURES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Direct parent company

The founder and sponsor of the Company is GFJ Holding GmbH & Co. KG, a German limited partnership. As of 31 December 2021, the Sponsor holds 100% of the Company's share capital.

Terms and conditions of transactions with related parties

There have been no guarantees provided or received for any related party receivables or payables as at 31 December 2021.

Regarding the equity interest in the Company, please refer to the information provided above in "Direct parent company". Regarding the shareholder loan agreement please refer to Note 9.

Commitments with related parties

Regarding the shareholder loan please refer to Note 9.

Transactions with key management personnel

There are no advances or loans granted to members of the Management Board and Supervisory Board as at 31 December 2021.

The Management Board consisting of 3 members and the supervisory board consisting of 5 members are entitled, based on a shareholder resolution from July 5, 2021, to an aggregate remuneration of EUR 255,000 per annum payable on a quarterly basis for providing director/advisory services to the Company. In the period ended on December 31, 2021, the Management Board received remuneration in the amount of EUR 73,179.

18. COMMITMENTS AND CONTINGENCIES

In the context of the planned acquisition of the Business Combination, the Company entered or is contemplating to enter into respective contracts with different providers for amongst other due diligence services, the total cost of which is estimated at approximately EUR 13.6 million.

Upon consummation of the Business Combination, the Company would be liable to pay an additional 3.00% on the gross proceeds from the Private Placement on the completion of the Business Combination in the form of Deferred Listing Commission, as described in note 17.

The Group has no other commitments and contingencies as at 31 December 2021.

19. EVENTS AFTER THE REPORTING PERIOD

In the beginning of 2022, the COVID-19 pandemic continued to impact business operations worldwide and may impact the Business Combination processes, and there is uncertainty in the nature and degree of its continued effects over time.

On February 9, 2022, the Management Board and the Supervisory Board held meetings and resolved to convene an extraordinary general meeting of shareholders of the Company in order to approve the acquisition of a German GmbH, with a focus on ESG-related technology sector that supports the decarbonisation path (the "Target"). The Company and the Target intend to achieve a business combination through (i) the acquisition by the Company of all of the shares in the Target from all the shareholders of the Target at the time of such acquisition (the "Transaction Shareholders") and (ii) the issuance of new class A shares in the Company to the Transaction Shareholders in exchange for the shares in the Target transferred by the Transaction Shareholders in the acquisition referred to in item (i) (the "Acquisition"). At the date of publication of these consolidated financial statements, the EGM has not taken place yet.

In February 2022, a number of countries (including the US, UK and EU) imposed sanctions against certain entities and individuals in Russia as a result of the official recognition of the Donetsk People Republic and Lugansk People Republic by the Russian Federation. Announcements of potential additional sanctions have been made following military operations initiated by Russia against the Ukraine on 24 February 2022.

Due to the growing geopolitical tensions, since February 2022, there has been a significant increase in volatility on the securities and currency markets, as well as a significant depreciation of the ruble against the US dollar and the euro. It is expected that these events may affect the activities of Russian enterprises in various sectors of the economy.

The Company regards these events as non-adjusting events after the reporting period. Although neither the Company's performance and going concern nor operations, at the date of this report, have been significantly impacted by the above, the Management Management Board continues to monitor the evolving situation and its impact on the financial position and results of the Company.

No further events have taken place since balance sheet date that would have had a significant impact on the financial position of the Company as at the closing date.